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World News

Soviet N-ship stranded by protests at some ports

A nuclear-powered Soviet merchant ship was stranded at anchor outside Vladivostok as protesters prevented it from picking up any of the major ports on the country's Pacific coast. Page 16

UK expellees Britain responded to Iran's break in diplomatic relations with an announcement of plans to expel several Iranian citizens from both Britain and Hong Kong. Page 9

Lhasa patrols Soldiers and armed police patrolled Lhasa streets as martial law was imposed in Tibet to end three days of pro-independence rioting. Page 7

Afghan siege The east Afghanistan city of Jalalabad was under heavy attack from Mujahideen guerrillas who hoped to make it their capital. Page 7

Tower support Second Democrat said he would vote to confirm John Tower as Defence Secretary. But Senate Armed Services Committee chairman Sam Nunn disclosed that Senate investigators were looking into new evidence against Tower. Page 4

Recruit arrests Tokyo prosecutors arrested two more people, including a former vice minister of labour, in connection with the Recruit scandal. Page 7

Solidarity accord Intensive negotiations in Poland between Solidarity and the Warsaw Government produced an understanding that a public accord would be reached together by April 3. Page 2

Australian economy The Australian Government yesterday kept up its campaign to talk confidence into the embattled economy. Page 7

Amazon pressure Amazon countries united behind Brazil to denounce foreign pressure to save rain forests. Page 4

Action for cities The UK Government is launching a ministerial roadshow to promote inner city policies as a great success. Page 10

Marseilles challenge Jean Marie Le Pen faced an unprecedented challenge for control of Marseilles from a new left-wing hero. Page 2

SA negotiations MR F.W. de Klerk, recently appointed leader of South Africa's ruling National Party, was involved in negotiations on a compromise giving him sufficient powers to run the country. Page 6

Bhopal storming One hundred victims of the Bhopal gas disaster stormed Union Carbide offices in the Indian capital, destroying the reception area and painting slogans on the walls, witnesses said.

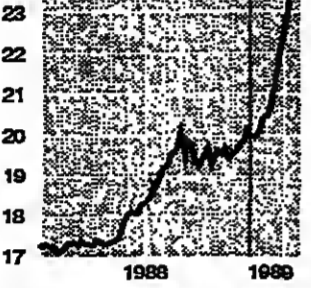
Women's Day In a message marking International Women's Day, UN Secretary-General Javier Perez de Cuellar called for renewed efforts for women's rights.

Business Summary

BR may need subsidies to build £1.7bn tunnel link

British Rail has admitted it may need UK Government subsidies for its high-speed rail link to the Channel Tunnel, and route changes could delay completion by four years to the year 2,000. Page 9

Malaysian tin price



At 23.71 ringgits a kilogram (\$8,585 a tonne) the price was 72 Malaysian cents up on the day.

GRAND METROPOLITAN, the UK-based drinks and food multinational, is to take over the Greek Metaxa brewery business for an undisclosed sum. Page 17

EASTERN Airlines, the US carrier, may file for bankruptcy as protection against creditors after a judge said he could not order pilots to cross picket lines. Page 4

BRITISH COAL Pension Funds are preparing to sell all their US property interests. They are worth around \$1bn. Page 16

HEXONE-POULENC, the French state-controlled chemicals and drugs group, yesterday announced a 46 per cent rise in 1988 net profits to \$570m, spurred by favourable economic conditions. Page 17

US BUDGET discussions are heading for stalemate following weeks in which events have overabundantly debated on how to reduce the Federal deficit. Page 16

HONDA, the Japanese car manufacturer is planning to begin exporting cars from the US to West Europe in 1990.

BRIDON, the wire rope manufacturer, has dropped its effort to buy the wire rope division of Bethlehem Steel after objections by the US Federal Trade Commission. Page 20

DAIMLER-BENZ, West Germany's main car producer, is likely to get \$2.1bn in Government subsidies for the acquisition of a stake in the Messerschmitt-Bölkow-Blom (MBB) aerospace group. Page 16

INDIA has decided to go ahead with its plans to develop and manufacture its own light combat aircraft (LCA) to be in service from 1995. Page 7

PEUGEOT Talbot manual car workers in Coventry, England, have voted to take industrial action over a two-year pay deal. Page 9

PLISSNEY, the UK electronics group, said it was "uncommitted" by the progress of the EC inquiry into the hostile \$2.9bn consortium bid from GEC of the UK and Siemens of West Germany. Page 24

MIDDELS LXL, the Australian brewing and investment group, has gained a banking licence in New Zealand, achieving an ambition there which it has been denied in its home market. Page 22

CHEVROLET, the US automotive group, and Renault of France are to invest around \$60m in their 50/50 joint venture to produce a small four wheel drive sports/utility vehicle. Page 20

Brussels shifts ground for Netherlands' cleaner car

By Tim Dickson in Brussels

A DRAMATIC shift in the European Community's policy on car pollution was proposed last night when Mr Carlo Ripa di Meana, the Commissioner in Brussels responsible for the environment, declared his apparently sudden conversion to stricter and more expensive US-style standards. His plea for adoption of US norms came during a full meeting of the 17 commissioners. They decided to soften Brussels' controversial legal attack on the Netherlands for introducing tax incentives to encourage the buying of cars which meet precisely those standards.

The latest developments, which have potentially major implications for the European motor industry, are a further example of the way in which environmental issues and concerns have shot to the top of the political agenda. Officials in Brussels last night conceded that the change in public opinion in member states has played an important part in recent deliberations at the Commission - but few deny that the issue of clean cars had already placed the EC in a complex legal and political jam.

The Dutch dispute arose after the Government in the Hague insisted last month on introducing tax incentives for consumers who purchase cars with so-called three-way catalytic converters. Several member states - notably France - complained that this breached the principle of the single European market because the Dutch standards are higher than the common EC-wide car pollution levels provisionally agreed by member states last November. Somewhat reluctantly the

Commission agreed to attack the Dutch measures with all the legal means at its disposal, setting in train a two-pronged approach by launching a preliminary investigation under EC state aid rules and separately informing the Netherlands that its national legislation was a distortion of free trade (under Article 30 of the Rome Treaty). Yesterday's Commission meeting took the important step of dropping the state aids case - with the significant consequence that a Brussels "injunction" to the Hague not

to implement its incentives is automatically lifted - while continuing to pursue the more leisurely legal route under Article 30. Mr Martin Bangemann, the Internal Market Commissioner, told his colleagues that a "reasoned opinion" would be issued, pointing out why the Dutch were at fault, but it could be 12 to 18 months before the process was concluded in the European Court. In the meantime, as Mr Ripa di Meana's new policy commitment made clear, a lot is Continued on Page 16

Bond seeks to sell 19.8% hostile stake in Lonrho for £366m

By Ray Bashford in London

MR ALAN BOND, the Australian businessman, plans to withdraw as a hostile shareholder to Lonrho and sell his 19.8 per cent stake in UK-based international conglomerate. Bell Resources and Bond Corporation, companies under Mr Bond's control, said yesterday that they wished to dispose of the holding of Lonrho shares at a minimum of 38p each, valuing the stake at \$365.7m (\$228m).



Alan Bond: selling between Mr Bond and Mr Rowland last summer. The present stake was purchased between September and November as the share price rushed forward amid the bid speculation.

Mr Bond paid an average of 38p a share, buying some for as much as 42p. Interest charges on the borrowings made to cover the purchase, together with associated costs, would lift the price per share to about 37p. The company expects to incur additional charges associated with the disposal and these would lift the cost of the shares at the time of the exit to about the 38p asking price. Lonrho was informed of the decision to sell the holding shortly before yesterday's statement was made but it expressed no immediate interest in buying the shares. Mr Spicer said he was "considering the situation". The Bond statement said that the shares were acquired "with a view to exploring with the board of Lonrho areas

UK appeals for resolution of Nissan deadlock

By William Dawkins in Brussels

THE BRITISH Government has made a final appeal to the European Commission to resolve the deepening deadlock with France over restrictions on sales of UK-built Nissan cars. Lord Young, the UK Trade and Industry Secretary, has written to the Brussels executive presenting fresh evidence that the French authorities are impeding the free sale of Bluebird cars exported from the Nissan's new Sunderland plant in the north-east of England. The move marks the collapse of British attempts to resolve the dispute with Paris bilaterally.

Nissan's French distributor has been told that its imports of British-made Bluebirds are being counted against its quota for direct imports from Japan, rather than being admitted freely as European cars, says the letter to Mr Martin Bangemann, the Internal Market and Industry Commissioner. This puts pressure on the distributor, Richard of Paris, to cut its imports from Japan, which amounted to forced discrimination against an EC product, a practice outlawed by Community free circulation rules, says the letter. It asks Brussels to "take this issue up with the French authorities as a matter of urgency, with the aim of getting a categorical assertion from them that UK built Nissans would be able to be delivered to the French market without restriction and independent of the level of imports from Japan."

World Bank offers some optimism for African economies

By Michael Holman, Africa Editor, in London

SUB-SAHARAN Africa's economic recovery has begun, helped by reforms, international donor support and measures to ease the region's external debt burden, according to a joint World Bank-United Nations Development Programme report published today.

Although constraints on development remain severe, the report says, the evidence suggests that Africa "can have adjustment with growth" providing that its governments implement reforms and that donors provide additional resources.

If the optimistic picture it paints is borne out, the report vindicates policies drawn up by the Bank itself and the International Monetary Fund, and adopted with varying degrees of enthusiasm by more than half the 45 sub-Saharan African governments. But the study's generally hopeful tone, as well as some of its specific observations, are at odds with a recent assessment of the region released by the United Nations Economic Commission for Africa.

This report, released in January, concluded: "The deterioration in the overall economic situation in Africa has continued unabated in spite of impressive efforts at structural adjustment."

In contrast to the World Bank-UNDP report, it was critical of what it saw as the failure of donors and lending institutions adequately to support those African governments which are implementing reforms. The Commission's assessment also argued that measures to ease Africa's debt burden had been inadequate.

The World Bank analysis, which focuses on the period 1985-1987, but makes tentative observations about developments last year, develops two themes. The first argues that the African condition is "less dismal" than often portrayed. The second compares the record of the countries which have adopted economic adjustment programmes endorsed by the World Bank with those that have not.

The report calculates that "excluding countries recently affected by strong external shocks (both positive and negative), annual GDP growth rates in reforming countries accelerated from just over 1

Continued on Page 16 Bankers take heart, Page 6

European media owners plan \$1bn entertainment venture

By Alan Friedman in Milan and Raymond Snoddy in London

FOUR of Europe's most flamboyant media owners are holding talks aimed at joining forces to create an integrated entertainment group with activities ranging from making films and television programmes, to the ownership of nearly 2,000 European cinema screens. The four are Mr Silvio Berlusconi, the Italian commercial television owner, Mr Robert Maxwell, the British publishing and media proprietor, and Mr Giancarlo Pirelli and Mr Florio Fiorini, two Italian financiers who together control Cannon, the Hollywood film studio and cinema group and Pathé Cinema of France. Mr Fiorini said yesterday that a letter of intent could be signed by the end of this month. Mr Fiorini, a Geneva-based financier, said the venture would pool assets worth more than \$1bn, including Cannon, Pathé and New World Entertainment, a US production company being bought by



Murdoch: \$50a acquisition Cannon. The talks, which could lead to a significant restructuring of the European cinema and television programme industry, come amid signs of concentration of power in the media - the Time/Warner merger in the US and the plans of Mr

Rupert Murdoch, chief executive of News Corporation, the Australian-based international media group, to raise a \$50a acquisition fund partly aimed at Europe. The Pirelli-Fiorini proposal envisages taking, with Mr Berlusconi and Mr Maxwell, a series of 20 per cent equity stakes in a holding vehicle, which would be valued at \$750m and would eventually also include US and French entrepreneurs. Mr Berlusconi yesterday said he had held exploratory talks with Mr Fiorini about the venture, which could see him contributing his own chain of 300 cinemas in Italy. Mr Maxwell, who has a stake in TF1, the privatised first French television channel, has been looking for some time for ways of expanding his European media operations and is particularly keen to strengthen European production as an alternative to quotas on US programmes.

Table with financial data including S. Korea Composite Index, Sterling New York lunchtime, and various interest rates.

Table with financial data including Stock Indices (New York lunchtime, Dow Jones Ind. Av., Comp), and various market indicators.

Advertisement for SIA School Fees, featuring a coupon and contact information for Maidenhead (0628 34291).

EUROPEAN NEWS

EC clears state aid for Daimler takeover of MBB

By William Dawkins in Brussels

THE WEST GERMAN Government yesterday won clearance from the European Commission to provide up to DM3.9bn (£1.2bn) for the proposed acquisition of a stake in the Messerschmitt-Boelkow-Blohm (MBB) aerospace group by Daimler-Benz, the country's main car producer.

usually priced. The rest is a debt write-off, designed to phase out state subsidies for MBB, the West German partner in the Airbus consortium. The aid package was demanded by Daimler-Benz as a condition for agreeing to take over MBB, 51 per cent of whose capital is currently in public hands. Daimler will initially buy 30 per cent of MBB and later increase that stake to more than 50 per cent. EC competition rules tightly restrict member governments' freedom to subsidise industry, but there are exceptions for assistance to important projects of common European interest, of which Airbus is a prime example.

with the aim of increasing its efficiency and international competitiveness, said a Commission spokesman. Competition would not be distorted because aircraft sales between member states were limited and did not in case take place in the same market as Airbus. The Commission yesterday also approved the West German proposal to provide low interest credit to help the shipbuilding group, Howaldtswerke Deut-

sche-Werft, provide three container ships to an Israeli company. The proposed assistance is worth 80 per cent of the contract price of DM105m per ship, representing a total grant of DM94.5m. West German authorities believe this should qualify as aid for a development project, but the Commission was warned that that Israel is not a developing country and that the subsidies should therefore be blocked.

West aims to boost military security and confidence measures

By Robert Mauthner in Vienna

THE MAJOR Western countries will today propose a package of military security and confidence measures aimed at dispelling suspicion and mistrust of military capabilities and intentions in Western and Eastern Europe. The proposals are to be made at a 36-nation conference on Confidence and Security Building Measures (CSBMs) being held here at the same time as the Conventional Armed Forces in Europe talks, which opened formally last Monday.

The measures to be discussed are intended to achieve greater openness and predictability about military matters so that it will become increasingly difficult to launch large offensive operations and surprise attacks. They will thus complement the force and military equipment reductions to be negotiated in the CFE forum by the Nato and Warsaw Pact countries only. The process of establishing Confidence and Security Building Measures among the 36 participating states began with the signing of the Helsinki Final Act in 1975, which encouraged states to notify each other of, and invite observers to, certain large-scale military activities taking place on land in Europe.

Ligachev leaves Moscow before key farm meeting

By Quentin Peel in Moscow

MR YEGOR LIGACHEV, the most powerful conservative figure in the Soviet leadership, left Moscow yesterday on a surprise trip to Czechoslovakia, only days before a crucial Communist party meeting to decide the future of Soviet agriculture. His sudden departure appears extraordinary in the light of obvious divisions in the Soviet leadership on reform of agriculture, the portfolio for which he is now responsible in the party central committee. Last week the politburo failed to finalise proposals for next week's full-scale central committee plenum, and is expected to thrash them out again this week. It would normally meet today.

Poles agree to agree by next month

By Christopher Bobinski recently in Lodz

INTENSIVE horse trading in Poland between the Solidarity movement and the Government has produced an understanding that a public agreement will be patched together by April 3. This is when both sides want to bring down the curtain on their flagging round-table talks which started on February 6. More than anything else so far, the talks have served to remind Solidarity how determined the authorities still are to preserve the essential outlines of the traditional system of party and police control over the country.

Municipal elections put old political loyalties to the test in Marseilles

By Paul Betts in Paris

LIKE bouillabaisse, political life in Marseilles has always been a highly flavoured and fishy business. But even by the eccentric standards of this sprawling, noisy city, with its North African cashew, huge concentration of immigrants and staggering port, Marseilles has excelled itself. Eight months ago, Mr Jean Marie Le Pen's National Front seemed set to take over the city's monumental town hall overlooking the old port. Campaigning on familiar anti-immigration themes, Mr Le Pen won a staggering 28 per cent of the vote in the first round of last year's presidential elections in Marseilles, coming ahead of all the other candidates.

took over the town as a transitional mayor. But the good doctor, as he is locally known, soon developed a taste for high office and to the dismay of his own party decided to run for re-election this year. He now has a strong chance of being re-elected in this month's municipal elections. His independent list heads all the public opinion polls, although he himself is still not sure of securing the necessary majority of local districts to win in next Sunday's first round ballot. He is directly challenging the official Socialist candidate, Mr Michel Pozet, a lawyer and professional politician whose popularity has been plummeting in the face of Mr Vigoroux's quixotic challenge.

With the local Socialists fighting their family feud and the National Front in disarray, he felt his chance had come. But in recent weeks, he seems to have become nervous. A victory next Sunday for Mr Vigoroux could provide a telling political lesson on a broader national level. It would help confirm the growing disillusionment of French voters with professional politicians and the traditional parties. On the other hand, however, the Byzantine politics of Marseilles may probably always remain a special case in France.

New draft constitution for Hungary

By Leslie Collett in Budapest

HUNGARY'S Justice Minister, Dr Katalin Kulcsar, paid a unique tribute to the world's "least leading" constitution - in the US - as the reform-minded Hungarian Communist Government submitted a new draft constitution to Parliament yesterday. The new "basic law," criticised by several MPs as being undemocratic, will replace what Dr Kulcsar called the "alien and artificial" Stalinist constitution adopted in 1949.

Protesters bar Soviet nuclear ship from ports

By Quentin Peel in Moscow

A HUGE nuclear-powered Soviet merchant ship is stranded at anchor outside the port of Vladivostok, in the Soviet Far East, after unprecedented popular protests have halted it from docking at any of the major ports on the country's Pacific coast. The pride of the Soviet merchant fleet, the Sevomorut, a 61,000-tonne Lash (lighter-shipment) carrier, is wallowing in a force seven gale because of environmental fears over the danger posed by its nuclear reactor, according to Soviet press reports. Workers in a string of ports, including Vladivostok itself, headquarters of the Soviet Pacific fleet, and neighbouring Nakhodka, Vostochny, Magadan and Petropavlovsk-Kamchatsky, have been backed by their local councils in refusing to unload the giant lighter-carrier at the end of its maiden voyage from the Black Sea.

Minister says W Germany must stem foreign influx

By David Goodhart in Bonn

MORE THAN half a million people will settle permanently in West Germany this year despite growing public anxiety about the influx of foreigners, according to Mr Friedrich Zimmermann, the Interior Minister. Speaking at a press dinner, he said the only way to halt a rising tide of hostility to foreigners was to restrict the flow, especially of illegal asylum-seekers. The Bonn cabinet yesterday announced that visitors from 14 countries in Africa, Asia and South America will henceforth require visas for entry. Visas will also be required of Yugoslavs, despite protests from the Belgrade Government.



The Greek Prime Minister, Mr Andreas Papandreu, pictured above with his consort, Mrs Dimitra Liani, said yesterday that he would see Time magazine over an interview with Mr George Koskotas, the fugitive banker in custody in the US. In the interview, Mr Koskotas alleged that millions of dollars in misappropriated funds had been channelled to top officials in Greece's ruling Socialist party.

Turkish steel union calls out members

By Jim Bodger in Ankara

TURKEY'S steelworkers' union, Celik-Is, has called its 24,000 members in the public sector out on strike on March 22 following the breakdown of wage negotiations earlier this week. This could be the prelude to a chain of stoppages in April culminated by the main trade union Turk-Is, which estimates workers' real purchasing power has decreased by about half over the past five years. The steelworkers' action will come only four days before Turkey goes to the polls in local elections which could have a decisive influence on the political fortunes of Mr Turgut Ozal. Exports by the iron and steel sector in January-December period totalled \$1.25bn.

Strikes may hit Dutch national papers tonight

By Laura Raun in Amsterdam

STRIKES in the Dutch printing industry are expected to hit the national daily newspapers tonight and have already affected leading international publications. About 3,000 printers stopped work yesterday, keeping many regional newspapers off the streets. Printers and employers appeared further apart than ever over a benefits package that provoked a breakdown in talks on February 24. The FNV print union will decide this evening when to walk out at NDU, the Elsevier subsidiary which publishes the quality daily NRC Handelsblad. Union meetings will be held today and tomorrow at the Telegraaf, the Netherlands' largest circulation daily, and at Perscombinatie, which publishes several national dailies. The Economist, the weekly British newspaper, is moving its printing base to England this week, and Time, the US weekly magazine, has emergency plans which it declined to divulge. Both are questioning the long-term future of their printing operations in the Netherlands.

Why British diplomacy cuts a poor figure in Iran's holy war

Ian Davidson argues that it is Britain which should have severed diplomatic relations rather than attempt conciliation

THREE weeks have now passed since Ayatollah Ruhollah Khomeini issued a religious edict calling for the death of Mr Salman Rushdie, author of The Satanic Verses, and a peaceful settlement of this appalling affair appears as far away as ever. Iran has now broken off diplomatic relations with Britain, and is attempting to whip up support for its holy war from other Islamic states at the forthcoming conference in Riyadh. Moderate Arab states will probably turn a deaf ear to the Iranian campaign; but whatever the immediate diplomatic outcome, there can be no doubt that the Iranian threat to Mr Rushdie's life remains as serious as ever.

like that any more than people of the Moslem faith like the attacks on their faith contained in the book. The implications of these words are unmistakable and alarming in the hope of avoiding a break in diplomatic relations, the British Government was fully prepared to adopt the posture of an equally injured party, even if it meant endorsing (in modified terms) the Ayatollah's attack on The Satanic Verses. If Mr Rushdie felt he was in danger of being dumped by the British Government, he may have had good reason. Whether Sir Geoffrey or Mrs Thatcher thinks The Satanic Verses is a nice book or a nasty book, whether they believe it is offensive to Muslims, or whether they consider it is unfair to the British people, are entirely irrelevant questions. In any case, they are wholly unqualified, in their capacity as elected politicians, to have a useful opinion on any of these subordinate issues. Under the Iranian gun, the only questions which are

immediately relevant are whether Mr Rushdie was legally entitled under British law to write and publish his book, and whether Ayatollah Khomeini is entitled to incite the murder of Mr Rushdie. If the British Government believes that the answers to these two questions are, respectively, Yes and No, it should have stuck to these two essential principles. At the beginning, Mrs Thatcher may have meant to echo that famous quotation of Voltaire "I disapprove of what you say, but I will defend to the death your right to say it." By last weekend, however, such a simple principle had been muddled by political calculation. In their lapse of courage and consistency, Mrs Thatcher and Sir Geoffrey were not alone. In France, Mr Jacques Chirac, the former prime minister, also criticised Mr Rushdie's book.

The French Government, however, has remained firm on the point that incitement to murder is a criminal offence and should be prosecuted. No doubt it will be argued that to a longer perspective, more complex considerations should come into play. Britain, like France, has a large, settled Moslem community, many of whom are or will be voters and taxpayers. Political leaders have, therefore, a real duty to take account of their cultural and religious sensibilities, especially if they accept the reality of a multi-cultural society. If enraged Catholics are entitled to demonstrate against Martin Scorsese's film The Last Temptation of Christ, surely Muslims are equally entitled to demonstrate against The Satanic Verses. These considerations have their weight; but they remain irrelevant to the problem posed by Ayatollah Khomeini's call to murder. Muslims in Britain or France may be entitled to their own distinct cultural and religious identity; but only within the limitations permitted by the law. Those limita-

tions are directly challenged by the terrorist threat issued by Khomeini. In a narrow sense, it ought to be possible for the British police to fend off that challenge by guarding the life of Mr Rushdie. Yet it is hard to believe that such a response is sufficient. Insofar as the Ayatollah's threat is partly symptomatic of an internal power struggle in Iran, there may be grounds for hoping that in time it will be lifted. But if the threat were to remain in force over the longer term, Mr Rushdie's rights would not be satisfactorily protected by the constant presence of police bodyguards.

Advertisement for the Financial Times newspaper, including contact information and subscription rates.

Japanese whisky importers told to cut prices further

By Ian Rodger in Tokyo

WHISKY importers in Japan have been rebuked for planning not to pass on to consumers all the substantial reductions in taxes on spirits that will come into effect next month.

Japan's National Tax Administration Agency this week asked leading importers "to make efforts to reduce their prices further from April 1."

The Japanese official spokesman for a Government order, and it comes at an awkward time. After 18 years' lobbying by the UK and other foreign governments, the Japanese Government finally agreed last year to reform its distillation tax system which was discriminated against imports.

In anticipation of the changes, importers have been working feverishly for months on how best to market their brands, including setting pricing and promotion strategies. Now, with only three weeks to go, these plans could, in some cases, be undermined by the tax agency's demands.

According to the tax agency, the net effect of the reduction of spirit taxes on spirits and the introduction of a 3 per cent value added tax on April 1 should be a reduction of up to nearly ¥800 on a 750ml bottle of imported whisky.

However, an inquiry into importers' pricing plans under

the new regime has revealed that the prices of most of the leading brands will go down by less than the amount of the tax reduction.

For example, the tax on a bottle of Ball's is set to drop by ¥88, but the importers plan to maintain the selling price unchanged at ¥3,200. The tax on a bottle of Chivas Regal is dropping by ¥549 but the selling price is coming down only ¥500 to ¥2,600.

On the other hand, in a few cases, the planned price cuts are considerably greater than the tax reductions. For example, the price of Johnnie Walker Black Label is set to drop by ¥2,000 to ¥6,000 even though the tax on it is coming down by only ¥807.

One leading importer said yesterday that pricing policy was none of the tax agency's business. Another said that the tax cuts were not being passed on entirely because the company needed the money to support planned big increases in advertising spending.

A tax agency official said yesterday: "Of course, we do not care if the companies make more profit or lose business. However, if they do not cut their prices sufficiently, that is equivalent to raising prices and that is subject to guidance."

Hungary may reform its trade with Moscow

By Leslie Collin in Budapest

HUNGARY is considering a radical reform of its stagnating barter-like trade with the Soviet Union by conducting non-military trade with Moscow in hard currency.

Dr Istvan Degen, a spokesman of the Hungarian Communist Party, said Hungary's economic relations with its partners in Comecon, the Soviet-led trading bloc, must be based on "self-interest and not on ideological questions or friendship."

His proposal for placing Hungarian-Soviet trade on a hard-currency basis follows another Hungarian bid at Comecon, which was meeting in special session this week in Prague to discuss integration and a "common market".

Mr Matyas Surde, a Central Committee Secretary, said Hungary's ties with Comecon only preserved the nation's "backward economic structure."

He told a session of the Central Committee it was in Hungary's basic interest to implement radical reforms within Comecon.

His remarks reflected growing Hungarian frustration with the lack of reforms in the organisation.

Honda takes fresh aim at Europe

Kevin Done reports on plans for the Japanese car maker to export cars from the US

HONDA, the Japanese car maker, is planning to begin exporting cars from the US to West Europe in 1990. The move heralds a new offensive on the European car market by Japanese car makers, who are constrained by quotas on direct imports from Japan in several key European car markets, most importantly France, Italy and Spain.

The European car industry is facing a two-pronged attack from Japanese car makers in the 1990s, as Japanese automotive groups build new vehicle assembly plants within Europe - Toyota is seeking a site in the UK - and seek to export to Europe from new assembly capacity recently built in North America.

The Japanese motor industry offensive is one of the most sensitive trade issues facing the European Community in the 1990s, as some countries - most importantly France and Italy - seek to continue protection of the European market with import quotas and strict rules on local content.

In Geneva on Tuesday both Honda and Mazda of Japan said that plans for assembly operations in Europe were under consideration.

At the same time Mr Robert Eaton, president of General Motors Europe which controls close to 11 per cent of the European new car market with its

Opel/Vauxhall operations, warned that the Japanese could capture up to 25 per cent of the European market by the mid-1990s compared with 11 per cent at present.

Mr Takeo Okusa, general manager of Honda Motor's sales division responsible for Europe, said that Honda planned to begin exporting 10,000 cars a year from the US to West Europe in 1990.

It is planning to sell the US-produced Honda Accord Coupé in Europe, which is produced exclusively at its Marysville, Ohio assembly plant. It already exports the same car to Japan from the US.

By the early 1990s Japanese vehicle makers will have established a capacity in North America for producing around 2.5m vehicles a year, and it has long been expected that part of that output would be directed at the European market.

Honda is already aiming to increase its presence in Europe later this year, when production begins at the Rover Group's Longbridge, Birmingham assembly plant in the UK of its new Honda Concerto. The car has been developed as part of its collaborative venture with Austin Rover, which will also launch in the autumn its own version of the car, code-named the R4.

Mr Okusa said that production of the Concerto in the UK

would total 20-30,000 in the first year, rising eventually to 40,000.

Around 10,000 or a quarter of the total would be aimed at the UK, but Honda was aiming to sell some 20,000 units a year in France, Italy, Spain and Portugal, the four countries which

model segment.

Honda is already building a \$45m, 70,000 units a year engine plant in the UK, to supply engines for its UK-built Concerto and some Rover RS models. Production begins in the early summer.

Mr Okusa said that a car assembly plant in Europe was now "the big question-mark".

"We have not concluded yet how to proceed in the future. Basically we wish to have assembly in Europe, but we have to see whether it is really economically viable."

Such an assembly plant would be in addition to planned production at Rover's Longbridge plant.

It has long been expected that Honda would use its production agreement with Rover - together with imports from the US - to build its European distribution network, prior to building its own European assembly plant. It already owns a large site at Swindon in the UK, the location of its engine plant.

Mr Noritama Furuta, president of Mazda, said the company had not yet decided what strategy to adopt in Europe.

"If we decide for production in the European Community, we will not be able to come by ourselves. It is more natural to join forces with someone else."

Ford of the US, the world's second largest automotive

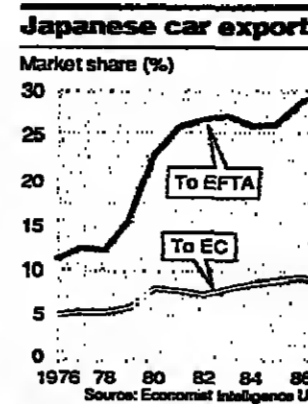
group which controls around 12 per cent of the European new car market, owns a stake of close to 25 per cent in Mazda, but Mr Furuta said: "We are looking at the possibility of working with other companies, not only Ford."

Mazda was approached last August by Enasa, the Spanish commercial vehicle maker, for a joint venture in Spain, but contacts were "at a very preliminary stage", said Mr Furuta. Equally talks with Saab of Sweden for the Swedish group to use some Mazda technology had "not shown much progress", he said.

Mr Robert Eaton, GM Europe president, said that "import quotas are a long-term solution to the competitive challenge" facing Europe from Japanese car makers.

He warned, however, that "Europe would hardly be in a position to fully open its borders to imports from the Far East without considering the many years and decades in which the Japanese market was totally blocked at the expense of European manufacturers."

"I suspect that if we don't react faster than the US, by 1996 there is no reason the Japanese share will not be at 25 per cent of this market. Europe must make progress at a considerably faster rate than in the past."



ECGD to retain short-term cover for exports to Iran

By Peter Montagnon, World Trade Editor

THE Export Credits Guarantee Department said yesterday it is to remain open for short-term cover on British exports to Iran despite the total severance of diplomatic relations between the two countries this week.

ECGD has been open for short-term cover on Iran since 1983 and an official yesterday described it as a "fairly busy, regular market".

However, the department will continue to require exporters to produce an irrevocable letter of credit as one condition for obtaining cover. Credit periods are limited to a maximum of 24 months including a 12-month pre-credit period between the placing of an order and actual shipment.

"The decision to remain open for Iranian short-term cover reflects ECGD's long-established practice of judging markets in terms of economic risk rather than on the basis of the state of bilateral political relations. Underlying this is also a firm UK government belief that trade embargoes do not work."

Following the cessation of hostilities in the Gulf war, ECGD received an upsurge of inquiries from exporters hop-

ing to benefit from reconstruction orders and was for a time considering restoring medium-term export credit cover.

Unusually for ECGD, this debate was caught up in politics, specifically the desire not to make any concessions to Iran until the problem of UK hostages held in Tehran and Beirut was resolved.

Given the clash between the two countries over the death threat to Mr Salman Rushdie, author of *The Satanic Verses*, the chances of medium-term cover being restored are now regarded as remote.

Separately, ECGD also remains cautious about the possibility of restoring medium-term cover to Nigeria, following that country's rescheduling agreement with official creditors reached in Paris last weekend. Officials declined to be drawn into speculation.

This means that a question still hangs over the fate of the £200m trade credit line arranged for Nigeria by Barclays Bank in 1987 when cover was expected to be restored quickly. This line has never been activated, although Nigeria would like to have access to it.

Japan micro-disk venture in US

By Alan Friedman in Milan

FUJIFILM, Japan's top photographic film maker, announced yesterday that its US subsidiary will establish a joint venture with BASF to produce floppy disks in the US for the North American market, AP reports from Tokyo.

The equally-owned partnership company, B and F Microdisks, will build a \$45m (\$36.5m) facility in Bedford, Massachusetts, and start making 3.5 inch micro floppy disks for use in personal computers this autumn, creating 230 new jobs.

The facility, capable of producing some 7m disks a month, will be one of the largest of its kind in the world, according to company officials. Some 50m disks to be manufactured in Bedford will be marketed independently by each company in equal shares.

S Korea relaxes import barriers

By Alan Friedman in Milan

SOUTH Korea has lifted import barriers on 261 products to help reduce its trade surplus with the US and other major trading partners, officials said yesterday, Reuters reports from Seoul.

This is a follow-up step to market-opening measures agreed by economic ministers last month, a trade ministry official said.

The ministers, facing Washington might choose Seoul as an early target of tough new US trade legislation, had agreed to remove non-tariff import barriers on 194 items to help slash the trade surplus. Yesterday's announcement more than doubled the number of products affected.

The items include 194 raw materials used in pharmaceuticals.

Italian machine tools 'overtake US in sales'

By Alan Friedman in Milan

THE Italian machine tools industry yesterday claimed to have overtaken the US in terms of total sales for 1988, thus moving up from the fifth to fourth spot in world rankings.

UCIMU, the Milan-based association of Italian machine tools and flexible manufacturing system (FMS) producers, said that 1988 sales increased by 25.5 per cent to L4,010bn (£1.7bn).

Italy's exports of machine tools and related systems also showed healthy growth last year, with a 27.3 per cent rise to L1,940bn. UCIMU said that after taking account of inflation the figure for export growth was 22.7 per cent higher in real terms.

Mr Piero Ruffini, director-general of UCIMU, said domestic sales by Italian machine tool makers had been helped by a substantially higher level of capital investment in certain industrial sectors.

Commenting on the strong export performance, Mr Ruffini said that aside from buoyant demand from clients in Italy's traditionally important export markets such as France, West Germany and the Soviet Union, there had been an improvement "in the manner in which Italian companies cooperate in organising and selling abroad".

Import demand was also strong last year, with a 31.6 per cent increase to L1,015bn (26.5 per cent in real terms), but Italian machine tools makers still achieved an overall L825bn trade surplus in the sector, a 22.4 per cent rise in nominal terms and 16.5 per cent in real terms.

In total sales, Italy says it now ranks fourth below Japan, West Germany and the Soviet Union, and, for the first time, ahead of the US. As machine tool exporters, Italians say they are behind West Germany, Japan and Switzerland.

1988 RESULTS

1988 was an excellent year for Enterprise Oil, Britain's leading independent oil exploration and production company.

A record number of wells were drilled, we discovered the Nelson field, and three developments in the North Sea in which we are partners were given approval by the Department of Energy.

We had an encouraging exploration success in Italy and purchased a further 10% stake in the North Sea Beryl properties.

the beginning of 1988 to 673 million barrels at the year end.

Financially, the picture was also satisfactory.

Despite a weaker oil price, higher production, proceeds from asset disposals and a tax credit all contributed to a 45% increase in after-tax profit, from £50.7 million to £73.4 million. Earnings per share increased by 36%.

We are fortunate in the knowledge that our developments generate healthy returns and cash flow even at low oil prices. The Group is well balanced, well financed and well positioned. The proposed increase in the dividend reflects our confidence in the future.

The Annual Report and Accounts of Enterprise Oil will be available shortly. To reserve a copy, please write to Julian Wade, Enterprise Oil plc, 5 Strand, London WC2N 5HU.

The AGM will be held at 12 noon at Glaziers Hall, 9 Montague Close, London SE1 9DD on 25 May, 1989.

RESULTS IN BRIEF	1987 £m	1988 £m
Turnover	227.9	192.1
Pre-tax profit	72.5	67.5
Taxation	(21.8)	5.9
Profit on ordinary activities after taxation	50.7	73.4
Earnings per share	17.6p	24.0p
Dividends per share	9.5p	11.0p

These figures have been extracted from the audited results of the Enterprise Oil Group for the year ended 31 December, 1988.

The net effect: a 94% increase in the Group's proven and probable reserves, from 347 million barrels of oil equivalent at

Enterprise Oil

Britain's leading independent oil exploration and production company.

The contents of this advertisement, for which the Directors of Enterprise Oil plc are solely responsible, have been approved for the purposes of section 57 of the Financial Services Act 1986 by Post Merwick McLennan, which is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

AMERICAN NEWS

Eastern Airlines pilots braced for bankruptcy

By James Buchan in New York
PILOTS at Eastern Airlines, who have virtually shut down the troubled US carrier by refusing to cross picket lines set up by striking ground crew, were yesterday preparing for management to place the airline in bankruptcy.

Treating television viewers to prime time trash

The US TV industry is caught in a competitive spiral of its own making, reports Jessica Josephson

THERE is no shortage of competition in the US television industry. But it is caught in a competitive spiral which seems only to head downwards in the desperate search for hit shows and advertising revenue. The pie may be growing larger but, the industry is in turmoil. The result is stagnant programming and falling standards.

Senior Argentine general sent into retirement

By Gary Mead in Buenos Aires
BRIGADIER-GENERAL Heriberto Justo Anel, the sixth-ranking general in the Argentine army, has been forcibly retired on the command of Gen Francisco Gassino, the army chief of staff.

Amazon 'needs foreign funds'

By Ivo Dawson in Manaus
FOREIGN funds are essential to back up the Brazilian government's drive to conserve the threatened Amazon rain forest, the Amazonas State governor, said yesterday.

Antigua goes to polls today

THE control of the government of Antigua by one family for nearly four decades will be challenged in a general election today, reports Canute James in Kingston.

Defeat in Senate still predicted for Tower

By Peter Riddell, US Editor in Washington
SENATOR George Mitchell, the Senate majority leader, was yesterday still predicting defeat for Mr John Tower's nomination as US Defence Secretary despite the decision of two fellow Democrats to vote for confirmation.



Mosbacher: 'good ideas'

US may ease HDTV development

By Peter Riddell

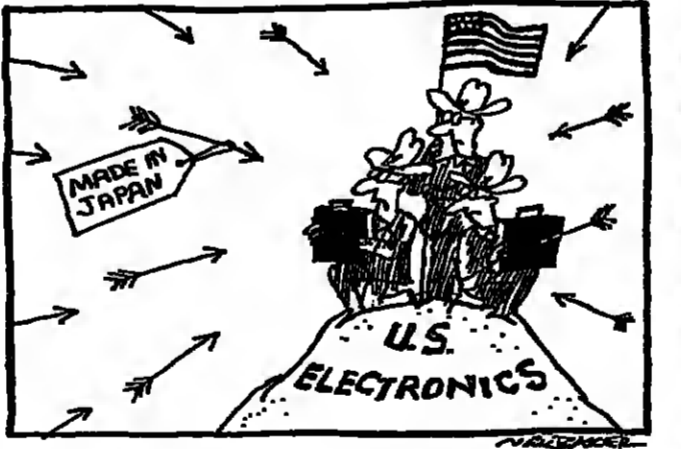
THE Bush administration is actively considering proposals to relax anti-trust laws so that private sector consortia can be formed to develop high-definition television and other high technology projects.

Japanese electronics threatens the American way

Calls for more government-industry collaboration on HDTV may herald a sea change in US policy, says Louise Kehoe

UNDER the banner of restoring America's international competitiveness, leaders of the US electronics industry are calling for an unprecedented level of government and industry collaboration in electronics development.

advanced computer technology project, the superconductivity report recommended. Similarly, proponents of an HDTV consortium claim that foreign companies have benefited from government funding and direction.



allowed to co-operate in manufacturing and marketing," Mr William Verity, former Commerce Secretary said in a retirement address last month.

OVERSEAS NEWS

Bankers take heart from Africa's less dismal picture

Michael Holman reports that structural adjustment measures appear to be bearing fruit

SUB-SAHARAN Africa has an image of "unrelenting decline" but the statistics commonly reported "mask a more complex, less dismal picture" says the joint study of the region published today by the World Bank and the United Nations Development Programme.

ECONOMIC REFORMS AND SUB-SAHARAN AFRICA. Table with columns: ALL COUNTRIES, COUNTRIES NOT AFFECTED BY STRONG SHOCKS, COUNTRIES WITH STRONG SHOCKS. Rows include Growth of GDP, Agricultural production, Growth of export volume, etc.

It notes that over half the 45 countries of sub-Saharan Africa have initiated policy reforms since 1983. The results "suggest that a strategy of adjustment with growth is viable".

The report focuses on the period 1985-87, making some tentative assessments for 1988, and assesses domestic growth, developments in trade and commodity prices, aid flows and debt relief measures, and domestic policy reforms.

Sub-Saharan Africa's outstanding and disbursed debt increased from about \$50bn in 1970 to \$129bn in 1987 - equal to 100 per cent of its gross national product and over 350 per cent of total exports.

theless, "evidence suggests that reforms and economic adjustment generally have led to better economic performance in the region."

● Despite their larger devaluations, inflation rates are now lower in reforming countries than in the first half of the 1980s. ● Governments in reforming countries have substantially reduced their fiscal deficits.

Iran presses for Islamic offensive against the West

By Tony Walker in Cairo

IRAN IS pressing for a united Moslem offensive against the West after its cutting of ties with Britain, with Tehran's largest selling newspaper advocating breaking off relations with West Germany.

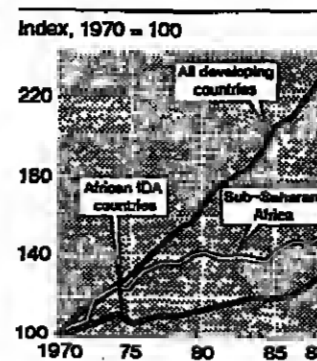
The campaign is part of a wider diplomatic offensive to emphasise its custodianship of pure Islamic values, according to observers in Middle East capitals. The Iranian Foreign Ministry has said on Tuesday that it considered itself "not just the executor of the foreign policy of Iran. Rather... it sees itself as the executor and protector of the foreign policy of Islam against infidelity..."

It was against this background that the Kayhan newspaper, Tehran's largest selling daily, called this week for an end to relations with West Germany. It said "the audacious German insults to holy Islam... must not be left unanswered... this will be an experience in what they say and do".

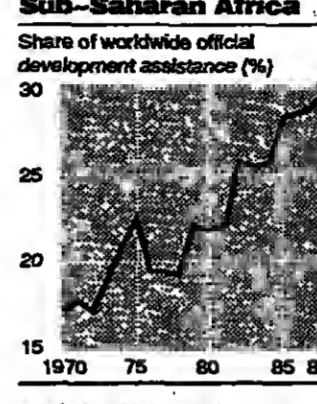
Mr Sadeq Khalaf, Iran's religious judge, on a visit to Libya at the weekend eulogised the backing of Colonel Muammar Gaddafi, the Libyan leader. Mr Khalaf said that Gaddafi was "committed an unpardonable crime".

Iranian envoys have also been active in the Gulf, arguing for co-ordinated Islamic action on the Rushdie affair. Arab states have criticised and banned the book, but have not threatened diplomatic reprisals.

GDP



Sub-Saharan Africa



much in 1986 and 1987. ● Real consumption increased on average faster than the population in reforming countries in 1986 and 1987, reversing the decline of 1980-84. It continues to decline elsewhere.

Mubarak asks Europe for backing

By Tony Walker in Cairo

PRESIDENT Hosni Mubarak of Egypt arrives in Brussels at the start of a three-nation tour during which he will seek European support for his country's continued difficult negotiations with the International Monetary Fund.

Bhopal victims go on rampage

One hundred victims of the 1984 Bhopal gas disaster stormed Union Carbide offices in the Indian capital yesterday, destroying the reception area and painting slogans on the walls, witnesses said.

Angola set to hold regional summit

Angola is ready to hold a regional summit to help end its 13-year civil war, the official news agency Angop said in an editorial yesterday.

Three Gorges dam approved

A panel of more than 500 experts has approved China's giant Three Gorges Dam after a 33-month study, Renter reports from Peking.

Refugee conference

International talks on the problem of 300,000 Indo-Chinese refugees failed to resolve the issue of forced repatriation yesterday delegates said.

Israelis stage trial of strength with UN forces

By Andrew Whitely in Jerusalem

ISRAELI troops in southern Lebanon have staged a trial of strength with Norwegian United Nations peacekeeping forces.

For nearly 24 hours, the Israeli army closed off all roads into its self-declared "security zone", effectively blocking the multinational forces from their separate sectors, and cutting them off from their coastal headquarters at Naqoura.

Underlining the gravity of the confrontation, yesterday morning Mr Yitzhak Rabin, the Defence Minister, unexpectedly flew in by helicopter to the region, and the blockade was lifted 15 hours after it began.

PLO spurns Bush plea over attacks on Israel

By Tony Walker in Cairo and Lamin Andoni in Amman

THE Palestine Liberation Organisation yesterday rejected President George Bush's call to halt attacks against Israeli military targets, saying it had not made such commitments to the US Government.

Compromise sought to let Botha see out his term

By Anthony Robinson in Johannesburg

MR F.W. de Klerk, the recently elected South African President, has been involved in last-minute negotiations on a compromise which would give him sufficient powers to run the country while letting President P.W. Botha see out his term as titular President.

Khartoum accused of obstructing aid effort

By Julian Ozanne in Khartoum

WESTERN donors meeting in Khartoum at a UN-sponsored conference on Sudan's war-ravaged south levelled sharp criticism at the Government yesterday.

Britons told to quit Lebanon after new Rushdie threats

By Our Foreign Staff

BRITAIN yesterday urged British citizens to leave Lebanon, and a Beirut-based group threatened to kill Salman Rushdie, the novelist at the centre of the growing row between the UK and Iran.

The Foreign Office warned 150 Britons living in Lebanon to leave immediately. It said they are under "increased threat" following Iran's severing of diplomatic relations with Britain on Tuesday over Mr Rushdie's novel The Satanic Verses.

The break in Iranian-British relations raised new fears of kidnapping attacks on Britons in Lebanon. Three Britons are among 17

Westerners missing and believed kidnapped in Lebanon

Westerners missing and believed kidnapped in Lebanon. Most are thought held by the pro-Iranian Hizbollah (Party of God) militia, which has also vowed to kill Mr Rushdie. Hizbollah has denied involvement in kidnapping.

Radical Lebanese Muslims holding two American hostages in Lebanon, which they are threatening to kill Mr Rushdie and any police who got in their way.

The PLO infiltration attempts are also causing concern among moderate Arab states such as Egypt that have worked hard to encourage PLO moderation.

Mr Arafat, the PLO chairman, pointed out that deaths of Israeli civilians in a guerrilla attack would put the US under extreme pressure to cease its discussions with the PLO.

The PLO leader is understood, however, to have informed the Egyptians that it would be difficult for him to condemn the raids except at the risk of causing a rupture among his organisation's disparate factions.

Mr Francis Miles Filieu, Canada's ambassador-designate, said the situation of human devastation was "not the result of any natural disaster but of the determination of the parties in the on-going civil war to pursue their military and political ends whatever the cost to the civilian population."

Mr Filieu said: "In the absence of a peace settlement and national reconciliation we will consider seriously whether continuing assistance of other than a purely humanitarian nature can be justified."

The conference, attended by Japan, the UK, the US and other nations and non-government organisations, wants a month of quiet in the south from April 1 - before onset of rains - so food can be taken to 2.2m people at risk. Mr Sadiq al-Mahdi, the Prime Minister, said he would accept the month of tranquillity. But with a three-week political crisis there is doubt whether the conference can come up with any conclusive or binding agreement.

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Recruit scandal claims two more victims

By Stefan Wagstyl in Tokyo

TWO MORE arrests were made yesterday in the Recruit financial scandal, which has gripped Japan since last summer, taking the total tally to 12 and increasing concern about the impact of the affair on Japanese public life.

Public prosecutors arrested Mr Takashi Kato, a retired senior civil servant, and Mr Masao Tatumai, a former director of Recruit, the company at the centre of the affair.

Mr Kato, a former vice-minister at the Ministry of Labour, is suspected of taking bribes to return for dropping plans to tighten laws on recruitment advertising, the core of Recruit's activities. Mr Tatumai is accused of offering Mr Kato bribes in 1986 in the form of out-price stock in Recruit Cosmos, a property subsidiary of Recruit. Mr Kato made a profit of ¥7m (£21,674) when he sold the shares.

The two arrests follow others in the last few days, including that of Dr Hisashi Shirato, the former chairman of Nippon Telegraph & Telephone, Japan's largest company.

The spate of arrests of businessmen and bureaucrats has increased the pressure on Mr Noboru Takasita, the Prime Minister, to make sure that politicians implicated in the affair are also forced to explain themselves. Chief among them is Mr Yasuhiro Nakasone, the former prime minister.

The scandal concerns the distribution by Recruit of shares on favourable terms to about 180 leading businessmen, bureaucrats and politicians. The company's links with the Labour Ministry has been one key area of investigation. Others are its contacts with the Education Ministry and NTT.

In January, the Labour Ministry, the public prosecutor discovered that during 1984 officials prepared plans for laws to control recruitment advertising, to outlaw the placing of misleading advertisements. But the employment security bureau dropped the proposals late in the year, to the surprise of some of its staff. The bureau head was then Mr Kato, who at first denied that he had had anything to do with the plan. The blame fell on Mr Shigeru Kato, a division head in the bureau, who was accused of being misled and dined by Recruit to the tune of ¥1.3m.

Last month he was arrested on suspicion of bribery. But further investigations emerged against Mr Kato, who in addition to receiving 3,000 Recruit Cosmos shares, was also allegedly entertained at Recruit's expense.

The prosecutor says there was a special department at Recruit for co-ordinating favours for Labour Ministry officials, which was headed by Mr Tatumai. It had a budget of some ¥30m, spent, say the prosecutors not just on Mr Kato and Mr Kato but on others as well.

China determined to keep its iron grip on Tibet

Colina MacDougall reports on Tibetan fears after foreign witnesses have been forced to leave Lhasa

TOMORROW Tibetans will mark the anniversary of the uprising in Lhasa against Chinese occupation in 1959 which ended with the young Dalai Lama fleeing over the mountains with thousands of his followers to India.

Many thousands more were killed by Chinese troops and Buddhist monuments destroyed in what was just a foretaste of horrors to come in China's devastating Cultural Revolution of the 1960s and 1970s.



Demonstrators carrying the Tibetan flag and pictures of the Dalai Lama march in Lhasa on Monday.

But the anniversary is unlikely to be marked by more demonstrations. Though Tibetans say they are not afraid to die, following three days of rioting earlier this week, the narrow streets of the capital are now thickly patrolled by Chinese troops and police. Under the martial law proclaimed yesterday by Peking's ruling State Council, foreigners may not enter cordoned-off areas and all (150-odd) were told to leave by tomorrow.

The death toll in all the recent protests has been unnecessarily high. "A lot of people were killed (in the rioting this week) who shouldn't have got killed," said an American visitor yesterday on the phone from Lhasa.

"One girl was killed in her own home making tea. The police were inept, bungling and brutal."

Demonstrations continued

The latest trouble began on Sunday when police opened fire, killing at least 11, on a group of monks shouting pro-independence slogans and unfurling banners outside the Jokhang, Lhasa's splendid gold-roofed shrine. A full-scale riot followed as Tibetans ransacked Chinese property. China's official news agency, Xinhua, claimed the Tibetans were armed, but foreign eyewitnesses deny that.

Demonstrations continued on Monday, and the police held off until evening when Tibetans say many people were picked up from their homes by police. Trouble began again on Tuesday, but armed police dispersed the crowds with an unknown number of casualties.

With foreigners expelled from the city, Tibetans fear that those Chinese consider troublemakers will either be executed or dumped in Tibet's unpleasant jails, where they could face regular beatings and a slender diet of barley and water. Amnesty International records this as standard Chinese practice following previous demonstrations.

A witch-bunt has already begun among Tibetans who work in the Chinese-run administration, of whom there are many, at least in junior posts. "Every party member and cadre must... stand the severe test in the current struggle against splittism," said the Tibet Daily on Monday. "We advise people who have been fooled by the splittists to wake up to their mistakes... We will severely punish those who stubbornly insist on independence for Tibet."

Clearly, the Chinese have to restore order after three days of demonstrations which led to much bloodshed (12 deaths by the Chinese count, 60 by the Tibetan, and 30-40 by doctors at Lhasa's hospitals, and more than 100 injured). Chinese were beaten up or had their businesses sacked.

Peking's leadership is currently facing serious challenges from the runaway economy, disobedient provinces and a rapidly growing swell of dissidence among intellectuals. With Zhao Ziyang, the reformist party general secretary, already under fire from hard-

liners alarmed by these developments, protest in Tibet is getting short shrift.

With the death of the Panchen Lama in January, the Chinese have lost their chief intermediary in dealing with Tibet. While the Panchen was always seen as a "Chinese chopstick", he nevertheless commanded respect, especially since his sufferings in the Cultural Revolution. Without him, Peking now has no figure even half-way trusted in Lhasa, and still less does it have his private channels of communication to the exiled Dalai.

The Chinese are in no danger of serious opposition from Tibetans, who are unarmed and peaceful by nature. They have no leader except the Dalai Lama, who preaches non-violence, and the days of CIA backing (late 1960s-early 1970s) are long gone.

The Chinese have also evolved an extremely successful network of control. Every monastery, village or band of nomads is penetrated by informers - locals over whom the authorities have a hold - and indoctrination meetings are frequent and regular. These meetings deal almost entirely with anti-independence propaganda, say foreign visitors.

While materially life is better than 10 years ago, Tibetans still seek independence even at

the cost of their lives. Aware of this and dreading the bloodshed, the Dalai Lama last June proposed a settlement which would give Tibet internal autonomy under a Chinese umbrella of defence and foreign relations.

In response, the Chinese initially offered talks without pre-conditions, but as is their usual negotiating ploy, began to set terms when it started to look as if the Dalai might accept. Thus discussions are still not really in prospect.

Though it is a fabrication to say, as they do, that Tibet has always been part of China, in periods of strength Peking has maintained a presence in Lhasa, and certainly now wants the land and raw materials Tibet can provide.

On the Tibetan side, many find the Dalai Lama's offer surrendering the idea of full independence a bitter disappointment. Young Tibetans in Lhasa and the exiled community believe that despite Buddhist non-violence they should fight.

But the practicalities of Chinese might and lack of support from near neighbours Nepal and India mean that diplomacy and pressure from the international community - if it can be prevailed on to say boo to the Chinese - may be a more realistic alternative.

India to build its own combat aircraft

By K.K. Sharma in New Delhi

INDIA has decided to go ahead with ambitious plans to build its own light combat aircraft and attempts are to be made to bring it into service with the Air Force from 1995. It has also been decided to develop a second generation of the aircraft.

Plans to develop the warplanes - which will be the mainstay of the Indian Air Force - have been delayed because of design problems and difficulties in evading an indigenous engine to power it. The aircraft is being developed by a special cell at the Government-owned Hindustan Aeronautics in Bangalore.

Doubts about the project emerged not only because of the delays and the high costs involved but also because of an attractive Soviet offer to upgrade cheaply the Indian Air Force's present fleet of Mig-21s by incorporating in them a number of improvements.

This would make the Mig-21 - for which manufacturing facilities already exist in India - as effective as the latest of the Mig series. The Mig-21 fleet is obsolete and is being phased out. In addition to French Mirage 2000s, the Air Force is importing the latest Mig-29, since the Mig-29 is expensive, the offer to modernise the Mig-21 is tempting, particularly given defence expenditure cuts in the recent budget.

It had been thought that accepting the Soviet offer would make redundant plans for India's own warplanes but the Air Force has decided to go ahead whatever the decision, which is expected soon.

The Air Force is also going ahead with plans to acquire a jet trainer to replace its ageing Mig-21s and the British Harrier. The Air Force has narrowed the choice down to the British Hawk, the French Alpha and the American F-5.

Mujahideen start assault on Jalalabad

By Christina Lamb

AFGHAN Mujahideen have launched a fierce attack on Jalalabad, the country's third city, which they hope to capture and make their capital.

According to rebel headquarters in neighbouring Pakistan, Mujahideen have captured Samarkhel, a crucial garrison about 15 km south-east of the city. They are now concentrated near Jalalabad's airport where there is hand-to-hand fighting around the perimeter fence.

Mujahideen have been predicting the fall of Jalalabad since Soviet forces started withdrawing in May. On Sunday they claimed over Pakistan national television and radio that they would capture the city within a week. Since then, Mujahideen forces have been massing around the city and truckloads of US supplied rockets have been brought in. The city has been under artillery fire since Tuesday.

Though the resistance claims to control 80 per cent of Afghanistan, 26 of the 31 provincial capitals are still in the hands of the Soviet-backed regime of Dr Najibullah. The Mujahideen realise they must capture Jalalabad if they are to win international recognition for their own newly created rival government which is scheduled to hold its first Cabinet meeting inside Afghanistan tomorrow. The venue has not yet been disclosed but an alliance spokesman said it will probably be near Jalalabad.

The guerrillas hope that by capturing Jalalabad and holding a Cabinet meeting inside Afghanistan, they will raise the government's credibility. Foreign ministers of Muslim countries meet in Riyadh next Monday and Pakistan's Foreign Office says recognition is impossible until the government has "demonstrated its hold on Afghan soil".

Sixty four. You can tell by the lines.



Canberra tries to talk confidence into economy

By Robin Pauley, Asia Editor

THE Australian Government yesterday kept up its campaign to talk confidence into the embattled economy with Mr Paul Keating, the Treasurer, insisting again that a dramatic tightening of fiscal and monetary policy would cause a recession.

However, the currency and equity markets remained unsettled yesterday by the state of the economy with Australian shares falling sharply as market confidence retreated further. Nervousness was exacerbated by speculation about Bond Corporation Holdings whose share price fell to its lowest point since the October 1987 share market crash before making a modest recovery.

The Government is already running a tight fiscal and monetary policy in an attempt to cool the seriously overheating economy. The boom from rapidly recovering commodity prices led to a consumer spending spree on housing and imported goods, fuelling inflation and producing a string of current account deficits.

Ministers have succeeded in talking the overvalued Australian dollar down in recent weeks and interest rates are already at a punishing 16 per cent. The Government, fearing that any further tightening will throw the economy into reverse, is now trying to play for time to allow the effects of high interest rates to feed through to cool and stabilise the situation.

Mr Keating repeated in Parliament yesterday that the Government does not plan a "scorched earth" policy, referring to calls for further measures to dampen demand for housing and imports.

Mr Keating's comments came as part of a concerted government campaign to try to talk the economy back into shape. Mr Bob Hawke, the Prime Minister, has led the initiative aimed at calming the markets and cooling the economy while telling the citizens how well-off they are, in spite of indications to the contrary, in advance of the general election expected later this year.

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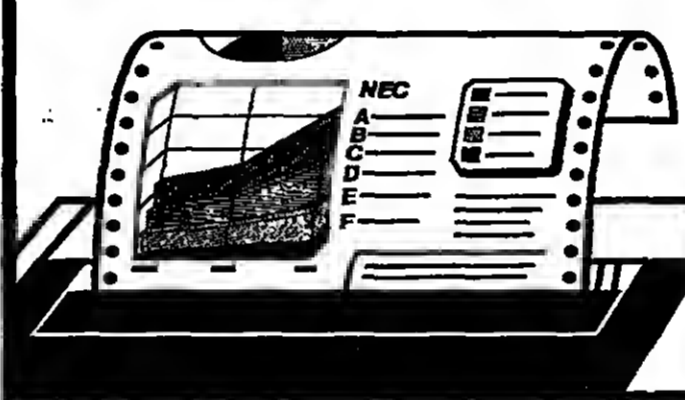
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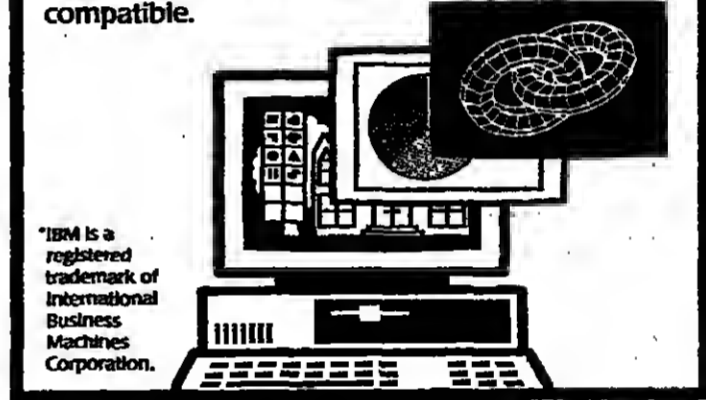
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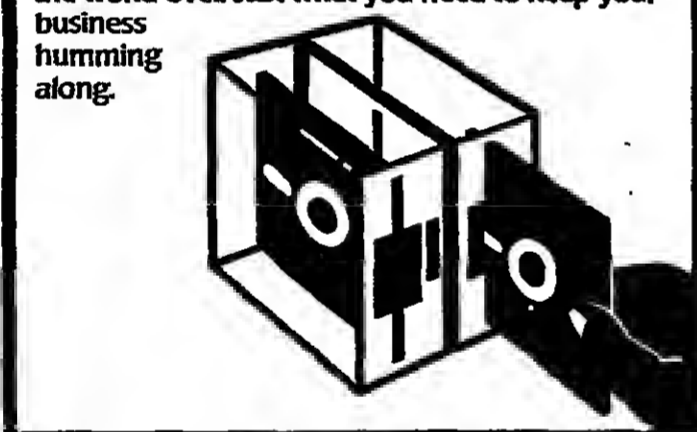
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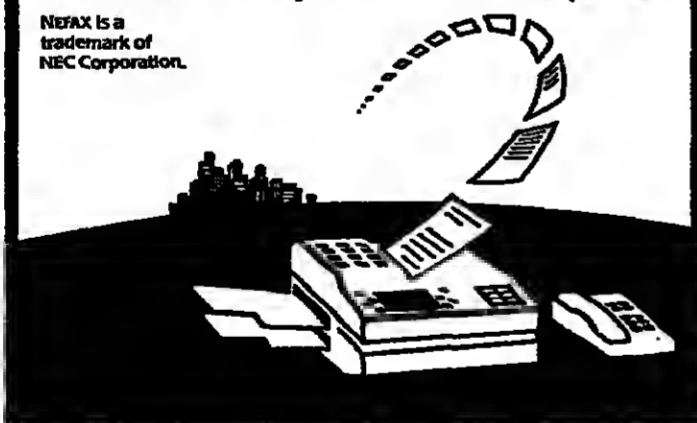
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UK NEWS

MPs 'appalled' by system for toxic waste disposal

By John Hunt, Environment Correspondent

A TOUGHER system of controlling the dumping of toxic waste and the eventual establishment of a National Environment Protection Agency are proposed by the Commons Environment Committee in a report which is scathing criticism of Government policy.



Sir Hugh Rossi - critical

After a long investigation into toxic waste, the all-party committee said: "Never have we experienced such consistent and universal criticism of existing legislation and of central and local government."

It accuses the Department of the Environment of failing to provide the leadership and commitment to provide adequate protection against environmental dangers.

Sir Hugh Rossi, the Conservative MP who is chairman of the committee, said yesterday it was "little short of a miracle" that there had been no disaster from the escape of poisons into the water supply from toxic waste or from explosions from the build up of methane gas on waste sites.

There was particular concern that planning permission is frequently given for building on abandoned dumps. Sir Hugh said that in some areas there was virtually no control over what went into landfill sites.

divine Labour and Conservative governments, the report comes as an embarrassment to Mr Nicholas Ridley, the Environment Secretary.

Mr Ridley said last night that many of the recommendations were in line with the Government's proposals for comprehensive reform of waste disposal. Consultations on these were now ending and legislation would be introduced as early as possible.

The report proposes that a "duty of care" should be placed on shipowners and captains to provide a detailed and accurate manifest of the wastes they are carrying to the UK. They could be sued and face heavy damages if they misreported the cargo.

In a consultation document the Government has already proposed power to prohibit,

restrict and control waste imports and exports, but this has not been implemented yet. Lack of resources and understaffing leading to lack of morale at the pollution inspectorate is heavily criticised. The committee wants the inspector placed on an agency basis to give it some autonomy from the DoE and to have its own chief executive who would be an inspector rather than an administrator. It proposes that the present 73 waste disposal authorities (WDAs) in England and those based on district councils in Wales should be abolished. They have been consistently criticised for poor performance in enforcing waste regulations and for having a "poacher and gamekeeper" role in running some sites themselves.

Initially, they should be replaced by 10 new regional waste regulation authorities in England and Wales formed from elected councillors. There should also be a national regulatory body responsible for an integrated pollution control of all aspects of pollution to air, water and land.

This would evolve into a full-blown Environment Protection Agency which would be separate from the Department of the Environment but answerable to the Environment Secretary.

The executive arm of the agency would be the present pollution inspectorate which, says Sir Hugh, "is the only public body which comes out of this inquiry with any credit."

(Toxic Waste, Environment Committee, Second Report, HMSO, £10.50)

No surprises expected to enliven budget

Simon Holberton finds few prospects for chair-gripping changes next Tuesday

MR RICHARD Jeffrey, economist at Hoare Govett, speaks for many practitioners of the dismal science of economic forecasting in the City of London: "It promises to be a very downbeat affair; the budget that never was."

Less than a week before Mr Nigel Lawson, the Chancellor of the Exchequer, stands at the dispatch box to deliver his sixth budget, City economists can barely suppress a yawn at the prospect.

"Dull" and "boring" are the adjectives most used by analysts to describe next Tuesday's budget. With few leaks to enliven speculation, the received wisdom has it that the state of the economy will not permit the Chancellor to do much, despite a huge budget surplus.

"It will be a low-key, risk-averse affair. It's head down time, although Mr Lawson is not good at being a head-down Chancellor," says Mr Gavyn Davies, chief UK economist with Goldman Sachs, the US securities house.

Although the overall assessment is depressingly uniform, the City has split into two

unequal schools of thought, in terms of adherents, concerning what Mr Lawson will do in his budget.

Most see the Chancellor resisting, reluctantly, the temptation to do much by way of tax cutting. Of these, some see no cut in the basic rate of tax; others see a 1p cut at most. All agree that he is most likely to over-index tax thresholds and allowances as a boost to the low paid specifically and the middle income-earners generally.

A minority, however, think Mr Lawson might attempt another bold move on the fiscal front while at the same time keeping monetary policy tight. "The Chancellor may surprise the market by announcing tax reductions of up to 25p yet forecast a budget surplus of £12bn," says Mr Malcolm Roberts, economist at Salomon Brothers, the US securities house.

Mr Lawson and his senior advisers at the Treasury are fond of emphasising that budgetary and tax policy is medium-term. Taxes are not adjusted for purposes of "fine tuning" the economy but to

improve incentives to work harder, they say.

There is general agreement among the two camps about interest rates: the 1989 budget will be the first this decade not to be followed by an officially-guided cut in bank base lending rates.

The Treasury has, in the past, liked to see a post-budget cut in interest rates; it was one way they could claim financial market endorsement for the budget's strategy. This year, the need to maintain a strong exchange rate, to buttress the fight against resurgent inflation, argues against such a cut in interest rates.

"I rather doubt if he'll risk a cut interest rates," says Mr Ian Harwood, economist at Warburg Securities. Mr Bill Martin, economist with brokers UBS Phillips & Drew agrees: "The budget is a sideshow to what happens to sterling. The question is do they raise interest rates to defend sterling or not when it comes under selling pressure."

Most analysts have constructed cautious packages of adjustments to tax rates and benefits which produce, on

average, a net tax cut of anywhere from £1.5bn to a little more than £3bn in the first year... a fairly modest affair given last year's £4bn cut in taxes. The options include:

Over indexation of allowances and tax thresholds. By law, Mr Lawson is encouraged to raise the main personal allowances (single, married and age allowances) by the equivalent of the rise in the retail price index during the previous calendar year.

In the year to December 1988, the RPI rose by 6.8 per cent. Each 1 percentage point increase in allowances and tax thresholds above the required amount will cost the Exchequer about £200m in 1989-90. Double indexation of allowances would cost nearly £1.4bn.

Reform of National Insurance contributions. If Mr Lawson wants to present a "budget for the low paid", and so redress criticism that last year's budget was for the rich, he could attempt a modest reform of these contributions.

Mr Davies believes Mr Lawson might adopt a suggestion of the Institute of Fiscal Studies and convert the £41

threshold at which NICs become payable into an allowance. The full-year cost of this would be £1.4bn.

Mr Stephen Hamrah, economist at NatWest Capital Markets, thinks he will be less ambitious and just raise the threshold at which NI operates. The beneficiaries will be part time and younger workers but, perversely, it will raise more revenue.

Make further cuts to the basic rate of tax. "He'll cut the basic rate to convey a sense that the economy is on track," says Mr Martin. A cut of 1p off the basic rate would cost £1.4bn this year and, while quite affordable, it is not a policy move which would find universal appeal in the City.

In today's jargon, the risks are seen as being "asymmetric". If Mr Lawson is too tight now, he can loosen up with lower interest rates later and not damage the economy. If, however, he is too generous on Tuesday he may well have to raise interest rates much higher than they currently are and risk a possible recession.

Black & Decker in pricing row

By Christopher Parkes, Consumer Industries Editor

BLACK & DECKER, the power tool maker, has refused to bow to a ruling from the Office of Fair Trading that the company's policy of cutting off supplies to retailers which sell its products at reduced prices is anti-competitive.

The issue is now likely to be taken up by the Monopolies and Mergers Commission, which will judge whether Black & Decker's long-established practice is against the public interest.

Had the company undertaken to scrap its policy, the matter would have been closed, and not referred to the Monopolies Commission.

The Office gave its ruling on a sample case, brought by Woolworth Holdings, parent of B&Q, Britain's largest do-it-yourself retailer. Black & Decker had threatened to stop supplies of Workmate benches offered at promotional prices, and of heat guns, which, it claimed, were being sold as "loss-leaders" for £17.95, com-

pared with the £19.95 manufacturer's recommended price.

Retailers have been at odds for years with their biggest supplier of power tools. They said yesterday that there had been a noticeable "softening" of Black & Decker's policy during the investigation.

The OFT discovered that eight retailers had either been threatened or had supplies cut. The most significant, according to Black & Decker, concerned the Argos catalogue shop chain, owned by B&T Industries. Black & Decker withheld supplies and only started shipping to Argos again when the prices were raised in May.

The OFT said that while it was permissible under the Resale Prices Act for a manufacturer to refuse to supply a retailer which sold its products as loss leaders, this could be anti-competitive under the Competition Act when applied by a company with Black & Decker's market power.

Last year the US-based group

accounted for a 66 per cent share of the £114m British market for do-it-yourself power tools and workbenches.

It said in a statement yesterday that it would welcome an opportunity to demonstrate to the commission that its policy worked in the interests of the consumer. It argued that widespread price-cutting among the dominant multiple chains would drive smaller retailers out of the power tool business, reduce the number of service and repair points, and ultimately lead to higher prices.

Only the major retailers could afford to run loss leader offers. However, the Office did not accept that competition was increased by having a larger number of retailers stocking Black & Decker products

when those retailers are not free to compete on price. "It also concluded that the effect of the policy was that average prices of the products were higher than they would be otherwise."

US bank releases \$77m Libyan funds

By Raymond Hughes, Law Courts Correspondent

MANUFACTURERS Hanover Trust has released nearly \$77m of Libyan funds which had been frozen for two years by former US President Reagan's anti-terrorist sanctions against Libya.

The release of the funds was authorised by the US Treasury after a High Court ruling last month in favour of Libyan Arab Foreign Bank, which is owned by the Libyan central bank.

The court rejected MHT's argument that it could not comply with the Libyan demand for the funds without breaching the presidential sanctions and laying itself open to criminal proceedings in the US.

Libyan Arab Foreign Bank had claimed two amounts: \$41.3m frozen in MHT's London branch and \$35.6m which the Libyans claimed had effectively been transferred from New York to the London account hours before the president's sanctions order.

MHT claimed that there had been no effective transfer of the second sum.

This represents the third time the US Treasury has allowed an American bank to release frozen Libyan funds after legal proceedings in Britain.

In October 1987, Bankers Trust was authorised to pay \$22.2m plus interest to Libyan Arab Foreign Bank after a High Court decision in the Libyans' favour.

Last November, MHT was licensed to pay over \$18.5m to Libyan Arab Foreign Bank, shortly before the matter had been due to come to the High Court.

Linde to appeal verdict on Lansing

By Andrew Fisher in Frankfurt

LINDE, the West German industrial group, said it would appeal the decision of the country's Federal Cartel Office to grant only partial approval of its takeover of Lansing Bagnall, the UK's largest fork lift truck maker.

The cartel office yesterday confirmed it was disallowing the West German part of the takeover, restricting the deal

to Lansing's French and UK activities. It had already indicated in January that it would exclude Linde GmbH in Germany, which has a turnover of DM100m (£31m), from the deal.

Linde, activities of which include industrial gases and industrial plant, said it would appeal in the Berlin courts. It said the cartel office had taken too narrow a market view.

The cartel office argued that Linde had a leading position in the West German fork lift truck market, with more than 50 per cent. Lansing Gubli's share was less than 2 per cent but would still add to the dominant share of Linde. This was aided by a voluntary sales limitation agreement between the European and Japanese industry associations.

The Office gave its ruling on a sample case, brought by Woolworth Holdings, parent of B&Q, Britain's largest do-it-yourself retailer. Black & Decker had threatened to stop supplies of Workmate benches offered at promotional prices, and of heat guns, which, it claimed, were being sold as "loss-leaders" for £17.95, com-

Advertisement for Washington D.C. Lottery. Text: 'WIN \$MILLIONS AND \$MILLIONS OF U.S. DOLLARS'. Includes details on playing Lotto 6/36, prizes, and how to play. Features a grid for selecting numbers and a section for picking a plan (2, 4, or 5 games).

Advertisement for Financial Times World Electronics Conference. Text: 'FINANCIAL TIMES CONFERENCES WORLD ELECTRONICS LONDON, 26 & 27 April 1989'. Lists speakers including Mr Frans Andriessen, Mr Gerrit Jeelof, Mr Pasquale Pistorio, Mr Franz Nawratil, Dr Ing Hans Gissel, Mr Geoffrey Morris, Mr Vittorio Cassoni, Mr Jean Caillot, The Rt Hon Sir Geoffrey Pattie, Mr Jacques Noels, Mr Jean-Marie Cadiou, and Professor Gordon Edge. Includes contact information for the conference organization.

Budget Tuesday

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NATIONAL & PROVINCIAL BUILDING SOCIETY

Lure of trade management

FACED WITH failure to contain the US trade deficit and worried by loss of competitiveness against Japan and other East Asian suppliers, opinion-leaders in the US are increasingly tempted by the notion of managed trade.

The report is dressed up in a lengthy analysis of the macro-economic dimensions of the bilateral trade problem. But it is its worrying conclusions on managed trade that deserve to be taken seriously by the world at large, even though Mrs Carla Hills, the new US Trade Representative, has expressed distaste for them.

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China's tactics in Tibet

THIS WEEK the Chinese have been behaving like the worst of colonial ogres, shooting down unarmed civilians and sending out night squads to pick up anyone suspected of taking part in the riots in the Tibetan capital, Lhasa.

Barbaric behaviour
Hitherto Peking has been largely immune from criticism for this barbaric behaviour. It is now more than time for the international community to persuade the Chinese leaders to make some effort to restore human rights.

There is more to the Tibetan tragedy than the rape of a distant land. After 1979 Hong Kong will revert to Chinese sovereignty. It will be open to China to exploit the former British territory just as it has done in Tibet, and similarly to crush dissent.

ment is unable to deliver. Japanese acceptance of such targets confirms the fantasy that Japan is a planned economy, failure to meet the targets merely confirms suspicions that they cheat.

Conflicts in Gatt
Experience in the semiconductor field has already demonstrated that tinkering around with formulae for market access leads to frustration and conflicts within the Gatt.

As the report itself states, the greatest single contribution to a reduction in the bilateral deficit would come from halving the US budget. This, the authors admit, is unlikely, which is why they recommend alternative specific action on trade.

The demand itself is indefensible. The purpose of liberal trade is, after all, to allow people to satisfy their desires more fully, not compel them to change those desires to suit another country's convenience.

Stephen Fidler assesses US policy on Third World debt

The Baker plan revised

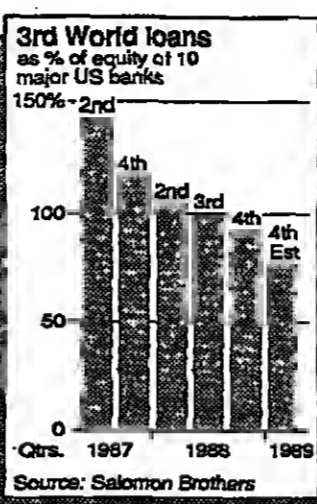
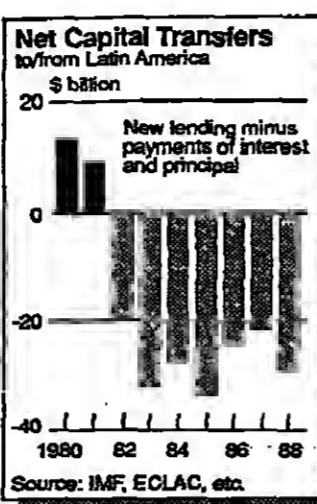
The US Administration's review of the Third World debt crisis currently under way, will produce no grand new scheme. Unless, however, it is only to scratch the surface of a worsening problem it will have to change some key assumptions of the Baker plan.

The Baker plan's aim was to bring about growth through economic adjustment, partly financed by new credits from commercial banks and stepped-up lending from the World Bank.

For political reasons, however, any new initiative will have to be presented as an extension of the Baker principles. Mr David Mulford, the Treasury's under-secretary for international affairs, who is in charge of the policy review, has already proposed a continuation of the Baker plan's country-by-country approach.

Given the failure over the last year for US thrift institutions, the new approach is more unlikely than ever to require funds from Congress.

Voluntary debt reduction accelerated significantly last year. It is unlikely, however, without new impetus to make such an impact on the \$1.2 trillion of debt. The country debt, \$450bn of which is owed by Latin America.



equity in new or existing companies in debtor countries.

Brazil had an active programme in 1988 - debt reduction there was estimated to have amounted to \$8bn last year - but in January it suspended debt-equity auctions. This is one symptom of a reaction against debt-equity swaps in Latin America, where they are often politically unpopular.

One alternative which does not require reserves in the so-called debt-for-debt swap, in which old loans are exchanged at a discount for bonds carrying a lower face value or lower interest rates.

Interest payments.

There are common problems, however, to all these attempts at voluntary debt reduction.

A second difficulty is that reducing the debt burden alone does not, unless the reduction is really big, ameliorate the current difficulty - the huge resource flows from the highly indebted countries, more than \$30bn in 1988.

Commercial bankers in the US say this can be addressed by the making of new loans through a "menu of options" of different types of lending. This menu, which recognises the increased diversity of interests of lending banks, was seen in its most highly developed form in Brazil's big financing package last year.

BOOK REVIEW In the view of the President

This diary lets drop more big names than deep insights. But since they are so many of the former, there is plenty of scope for the latter.

EUROPEAN DIARY 1977-81 By Roy Jenkins Collins, £25

As President of the European Commission, Roy Jenkins saw more of Europe's leaders than they did of each other. In those days (1977-81) heads of government held three summits a year (now it is a more sensible two), and a Commission President has a major part to play in travelling to national capitals, setting up these meetings and gathering together the pieces afterwards.

Many will come to this tome wanting to know more about the birth of the European Monetary System, a bonny bouncing boy brought into the world 10 years ago this month under the combined parentage of Jenkins, Helmut Schmidt and Giscard d'Estaing.

However, there are echoes of 10 years ago that are of interest today. Jenkins observes that the EMS plan moved fast "because heads of government provided the direction and the will, while central bankers handled much of the detail."

What set the EMS rolling was the Giscard-Schmidt axis, on which the Community used to pivot. Jenkins benefited from this Franco-German partnership, but not without making some accurately caustic observations on it.

badly. Schmidt switches off like a husband who pretends not to notice if his wife gets drunk."

Jenkins has one or two more coups to confess. At one point he hints that he may have been rather too keen on travelling in private aircraft, particularly in his first two years in Brussels.

Jenkins is quite candid about his early mistake in trying, before he became Commission President, to get Schmidt to change his men in Brussels. He failed. Worse, "both German Commissioners knew I had tried to replace them."

But from mid-1979 Jenkins was judging from his diary, as interested in plotting his return to British politics as in Brussels. At the same time, of course, the direction of his Commission was knocked sideways by Mrs Thatcher's demand to "get her money back."

David Buchan

The Lady's firm "No"

Considerable embarrassment among British Government Departments yesterday about the Prime Minister's categorical refusal to attend the international conference on the environment in The Hague on Saturday.

In nearly 40 years as an occupying power, the Chinese record has been deplorable. Numerous Tibetans have died at their hands, either through slaughter after resistance to Chinese forces or from starvation caused by Chinese ignorance.

There is more to the Tibetan tragedy than the rape of a distant land. After 1997 Hong Kong will revert to Chinese sovereignty. It will be open to China to exploit the former British territory just as it has done in Tibet, and similarly to crush dissent.

OBSERVER

reticently, to the Thatcher line.

Price of peat
Ireland has found another product to sell to the many millions of Irish Americans who banked after mezzanines of the homeland.

Lawyers' talk
A very civilised lunch at Freshfields, the solicitors. Yet one could not help thinking that it would not have happened like that only a few years ago.

There is no real threat of a takeover either, since the firm owns itself. Still, MacCabe and Hugh Peppatt, the senior partner, do just wonder about how some of the old stockholding firms were taken over by the American houses.



worries about getting the right recruits in a competitive market for graduates. Freshfields, in fact, is glad to fall back on what they call the "colonials": Irish, Scots, Canadians and Australians.

In one sense, however, Freshfields' self-confidence has grown. "A few years ago," said Peppatt, "we would never have dared to move away from our City buildings." Later this year it is moving to Fleet

Gold auction

The Vikki Harris Laser Fund at St Bartholomew's Hospital London, which I wrote about in Monday's Observer, is already rising thanks to the generous response of readers.

Another reader, Charles Wyatt, has presented us with a lump of specimen gold ore, which he suggests that we should auction for the fund.

When it's a question of money Talk to the people at the Northern Money Show

Advertisement for the Northern Money Show. It features a large graphic with the text 'COULD YOUR MONEY BE WORKING HARDER FOR YOU?' and 'HALF PRICE ENTRY VOUCHER'. The voucher is for £2.00 and includes details about the show's location at G-Mex, Manchester, on March 9-11, 1989. It also lists opening times and a discount code.

ECONOMIC VIEWPOINT

Financial strategy's porcupine destiny

By Samuel Brittan

Economists and journalists... calling on the Chancellor...

These calls ought to carry a health warning...

It is virtually useless for commentators and advisers to urge their own favourite formulations...

Like most other innovations of the present Government, they were not in cash but in so-called volume terms...

An initial aspect of the MTFPS was therefore simply to put expenditure projections in cash terms...

The fiscal aspect has been an unmitigated success...

The object of the monetary side of the MTFPS has been to state monetary objectives for more than one year ahead...

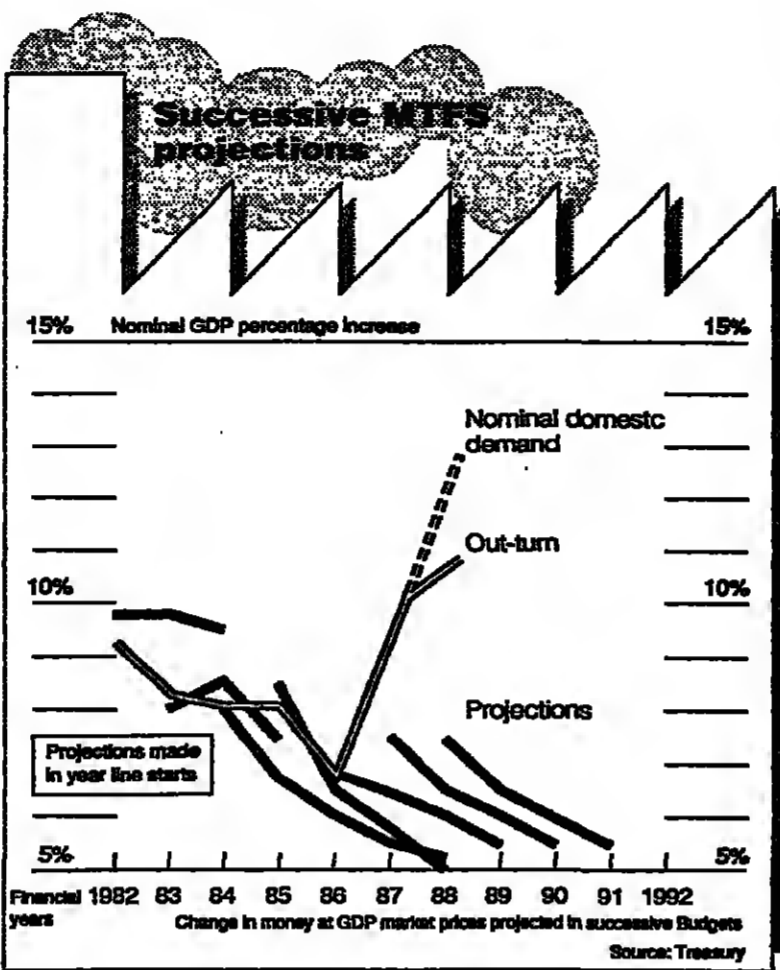
There was a more specific desire to affect expectations...

continued to be tight. As we know, the monetary side proved far more difficult...

The various monetary targets are often known as intermediate objectives...

Projections for Nominal GDP have indeed been given in the Red Book since 1982...

postponed - in the last Budget until 1991, and presumably it will be postponed further next Tuesday...



projections made in year line starts... Change in money at GDP market prices projected in successive Budgets

by saying that inflation was a necessary component of a wave of innovation...

The contemporary moral is that the need for some sort of assurance that breakthroughs...

Where does the exchange rate fit in to the MTFPS? In two possible ways...

The more ad hoc link forced on the Chancellor by the Prime Minister's opposition to the EMS...

Even if a British MTFPS were stated entirely in terms of fiscal objectives and the exchange rate...

LOMBARD Of animals and wise men

By David Thomas

WHEAT SHOULD Britain do with a university department which (a) has one of the few research teams of world class in its field...

The answer appears obvious to the people who plan Britain's universities: close it. This was the fate suggested earlier this year for Glasgow University's veterinary school...

The trouble stems from a report published in January by a University Grants Committee working party on veterinary education...

At issue are two different models of how the universities should be governed: wise men versus wise markets...

Wise men: Sir Ralph Riley, chairman of the vet review and a former deputy chairman of the Agricultural and Food Research Council...

LETTERS

Industry and education

From Mr E. Palfrey. Sir, I read Michael Prowse's article on the international baccalaureate (March 2) with great interest...

I believe that only orchestrated pressure from commerce and industry will cause perceptible change...

France's economic adjustments

From Mr David Flanagan. Sir, Your article, 'Adjustment in France' (March 2), congratulates the French economy on its recent successes...

It is most important for the critics to avoid going over the top. Nominal GDP aims are guidelines over several years, not a straitjacket...

An unwelcome bid threat

From Mr E. G. Unwin. Sir, I was appalled to read the article by Hugo Dixon (March 8) concerning the Hoskyns attitude to GEC-Siemens and Plessey...

no way can this be taken as support for the GEC-Siemens bid threat.

The realities of the railways

From Mr Thomas Whittle. Sir, It is as David C. Hawkins asserts (Letters, March 6), the private car is in a race with very low seat-hour utilisation...

of these commuter networks has been amortised or written off, surely BR and London Transport should be able to pay its way without help from ratepayers and taxpayers...

Incentives for Northern farmers that pull the South down

From Mr Clive Robinson. Sir, Professors Torgemann and Jelling are to be congratulated on their attempt (World Trade News, February 14) to find the common elements in the EC and US positions...

numbering some 1.4 billion (contrasted with 10 million farmers in the EC and 3.4 million in the US), does not rate a mention in your correspondents' article.

just lower Third World production but a catastrophic loss of income in the rural areas where 80 per cent or more of the people depend on farming.

other supply management mechanisms) which limit EC agriculture to its own consumption needs. The 'long-term goal of bringing agriculture fully into GATT' must include effective anti-dumping provisions...

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FINANCIAL TIMES SURVEY



In the last six years, the Channel Islands have enjoyed a remarkable

economic boom. The islands' business sectors, however, are now closely monitoring the European Community's plans to dismantle internal trade barriers by 1992, as Barry Riley reports here.

Grappling with the 1992 issue

JUST HOW will the European Community's plans to dismantle internal trade barriers by 1992 affect the Channel Islands?

What at one stage appeared a remote and intangible issue has suddenly turned into the subject of urgent and heated debate. Last week, for instance, the Guernsey authorities held a special public meeting to explain the official position, and they have issued an explanatory pamphlet. This is not, however, a policy document, and it attempts to do no more than to set out the position in factual terms.

So far, the 1992 question has generated more heat than light. The Channel Islands' public has been confused by the coverage in the UK media, which, only relates to the effects on the mainland economy. On the face of it, however, nothing necessarily will change the position of the islands.

It is possible that the adoption of a 'Fortress Europe'

approach by the EC could damage outsiders, Jersey and Guernsey among them. On the other hand, the imposition of burdens such as a 15 per cent withholding tax on Luxembourg could prove highly beneficial to convenient and reputable offshore financial centres.

At any rate, the islands are monitoring the situation closely. Both Jersey and Guernsey have retained the advisory services of a mainland barrister and academic, Richard Plender, for guidance on the latest twists and turns in Brussels as innumerable directives grind their way through the legislative machinery.

In Jersey, Colin Powell, the States' Economic Adviser, says that representatives of the main sectors meet regularly in a 1982 group. He accepts that there is a disadvantage in marketing into the EC, which could increase after 1992. But there is a corresponding advantage in marketing around the world. He sees Jersey as



CONTENTS

- The finance industry and offshore funds; investor protection; the insurance sector; the pensions business: pages 2 and 3.
- Changes in the stockbroking scene: page 4.
- The smaller islands: goodbye to the Sark Lark: page 4.
- Housing and property markets: page 5.
- Immigration training and labour issues: page 5.
- Infrastructure; communication services; harbour developments: pages 5 and 7.
- Horticulture, page 7.
- Tourism developments: page 8.

PICTURED, LEFT: Symbols of prosperity: private yachts anchored at St. Peter Port harbour. Picture by John Schute.

terms, the Jersey GNP doubled in the six years up to 1987. But this includes the effect of persistent inflation, which has tended to run higher than in the UK.

Last year Jersey's retail price inflation was consistently 1 to 2 per cent higher than on the mainland, and although the rate was a little more moderate in Guernsey, nevertheless it had topped 7 per cent year-on-year by December. Meantime, it is probable that the labour shortage has been driving employee earnings up at a double-digit percentage rate.

The finance industry has been the main engine behind the rapid economic expansion. Jersey's official statistics indicate that the finance sector overtook tourism as a contributor to GNP in 1988, and accounted for 40 per cent of GNP in 1987 (up from just 20 per cent in 1975).

This growth has not been achieved without complaint from elsewhere. In both Jersey and Guernsey the finance sector is accused of driving up wages and poaching employees from other sectors such as public services. Meanwhile, the top jobs usually go to immigrants, rather than locals.

There is friction, too, over house prices, which have been very buoyant - at least until the recent sharp rise in mortgage interest rates.

Since it is estimated in Guernsey that 80 per cent of all mortgages are extended on a cut-rate basis to finance sector employees, there is under-

Continued on Page 8

The Channel Islands

becoming 'offshore Europe' rather than offshore UK."

Norman Le Cheminant, chief executive to Guernsey's Advisory & Finance Committee and the island's top civil servant, suggests that the Channel Islands could only be seriously affected in very grave circumstances.

"But there is a need to maintain a very close watching brief," he says. He wonders hypothetically, for instance, whether new administrative arrangements for the collection

of VAT might be more onerous for third countries such as the Channel Islands.

Jersey and Guernsey are in identical constitutional positions in relation to the EC. They are not members of the EC nor, as is commonly (but wrongly) supposed, are they associate members. Technically, they enjoy a special relationship under Protocol 3 to the UK's 1971 Treaty of Accession (the Isle of Man is slightly differently placed because of its common purse arrangement

with the UK for excise duties and VAT).

In terms of physical trade, the Channel Islands are within the common external tariff. However, they are not bound by the remaining clauses of the treaties and so are unaffected by most directives or by the Community's provisions relating to the free movement of people and services.

There is no suggestion at this stage that the Protocol will be changed. In any event, it could only be altered by unanimous decision of all twelve EC member states, and the Channel Islands would therefore be able to look to the protection of the UK.

"There's a fear - of the unknown," admits Richard Arnold, president of the Guernsey Chamber of Commerce.

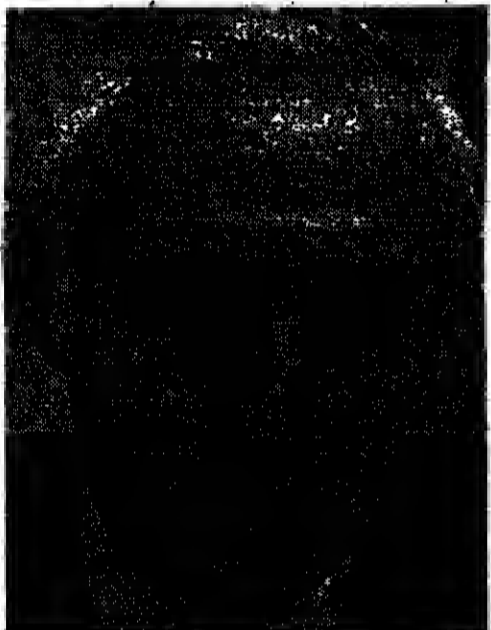
The 1992 issue is coming to prominence at a time when there are signs that the booming economies of the Channel Islands are starting to boil over. Cracks are starting to appear in the previously rock-solid finance industry, where Morgan Guaranty last month announced the impending closure of its Euro-lending business in Jersey, while Manufacturers Hanover in Guernsey has announced it is conducting a strategic review of its activities.

Meanwhile, some of the firm management companies have had a hard time since the October 1987 crash, and the fragility of some of the offshore operations was underlined late last year when Nik Schröder decided to repatriate much of its administrative activity from

Guernsey to the UK after expensive mistakes were made in the pricing of funds. There is no reason to fear, however, that the offshore finance industry is experiencing anything more than a pause for breath - which many see as welcome. Displaced employees are being quickly re-absorbed elsewhere.

Since the end of the last recession in 1982 there has been a remarkable economic boom. In real terms, Guernsey's economic growth rate was 9 per cent in 1987, after 10 per cent in 1986. Last year the rate is estimated to have slackened to some 6 or 7 per cent, but this still represents an excellent performance.

The rather larger Jersey economy has certainly been no less buoyant. In nominal



□ Many in the Channel Islands sense there could be a chance to build new business relationships throughout Europe - although they face competition from a variety of locations in the European Community.

□ In Jersey, Colin Powell, (left), the States' Economic Adviser, sees Jersey becoming 'offshore Europe, rather than offshore UK.'

□ Meanwhile, in Guernsey, Norman Le Cheminant, (right), chief executive to the Advisory and Finance Committee - and the island's top civil servant - suggests "there is a need to maintain a very close watching brief" on the likely impact of 1992 issues.



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CHANNEL ISLANDS 3

Expectations have dimmed slightly in the offshore finance industry, says Barry Riley

Business still brisk, despite cutbacks

THE PEAK of the boom may be over, but there is still plenty of life in the Channel Islands' offshore finance industry. And if the shadow of redundancies has dimmed expectations, that may be viewed as helpful in some quarters.

Job losses at J.P.Morgan, N.M.Schroder, James Capel and elsewhere have disturbed the pattern of continuous growth.

"There may be a psychological effect," says John Roper, director general of the Guernsey Financial Services Commission. "If redundancy news makes people more realistic about their own prospects, it may be no bad thing at all."

But the departure or contraction of US banks like J.P.Morgan (in Jersey) and Manufacturers Hanover (in Guernsey) may be more of a symptom of success than a warning of trouble.

Banks which arrived when the Channel Islands were relatively cheap and easy places to do business are now finding themselves faced with rapidly mounting labour and property costs, and are forced to grapple with ever-tougher barriers against expansion.

High interest rates have bolstered private banking deposits, and after several years of stagnation Jersey's bank deposits have begun to grow quite strongly, from \$26bn at the end of 1987 to \$28bn last June and \$31bn in December.

Guernsey has always been more oriented to the private sector, and growth picked up again in 1988, when deposits climbed by 9 per cent to \$10,020m, after a slight decline in 1987 when money was being sucked into the booming world stock markets.

Growth in banking has been increasingly restricted, however, by curbs on new licences and on expansion of existing operations. There has been no overall growth in licences in Jersey, although there has been a certain amount of realigning of licences where a single group has owned more than one licensed bank. Last year, too, the last remaining privately-owned local bank was mopped up.

Room has been made for the two biggest UK building Societies, the Halifax and the Abbey National, to set up operations to gather offshore deposits.

"The authorities decided that this was a market we ought to be in," says Colin Powell, Jersey's economic adviser.

Jersey insists that the door is not closed, but that any incoming institution must bring diversification into new sectors or new parts of the world.

There is some speculation that a Japanese bank might arrive, given that the Japanese are already becoming much more active in investment business in the Channel Islands.

Over in Guernsey there are hints that a big international bank may in fact be seriously considering a local presence. But it will need to be an institution that would be accepted," is Mr Powell's carefully expressed view.

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John Roper, director general of the Guernsey Financial Services Commission: there is more realism now.

has been a rush of new business from the mainland, and fears have grown that there may be a crackdown in next week's UK Budget by the Inland Revenue on offshore trusts, which allow assets to be protected from taxation until they are brought back to the mainland.

Although trust business has proved profitable for the Channel Islands, there is some concern that the trust sector harbours undesirable operators and may perpetuate the kind of tax avoidance image which Jersey and Guernsey are attempting to shake off.

As a first step, plans are being laid to regulate the trust business, although there are problems given that practically nothing is known in detail about this shadowy sector, which is dispersed across a range of practitioners.

"It is hard to think of a comprehensive way of regulating them," admits John Roper.

These regulatory plans illustrate the way that the once free-wheeling offshore finance industry in the Channel Islands is being steadily brought under stricter supervision. Banking and insurance were first, and now investment funds are being regulated, under the impetus of the need to respond to the UK's Financial Services Act.

In order to be able to respond, the finance industry is being forced to become more institutional in character. For instance, last month Guernsey's investment community formed the Guernsey Fund Management Association, with about 26 member-firms and a number of associate members.

According to Bruce Riley, managing director of Guinness Flight Fund Management in Guernsey, the GFMA is a response to new rules requiring banks to hive off their offshore fund departments into separately-run operations "that caused many of us to feel that we needed our own voice," he says.

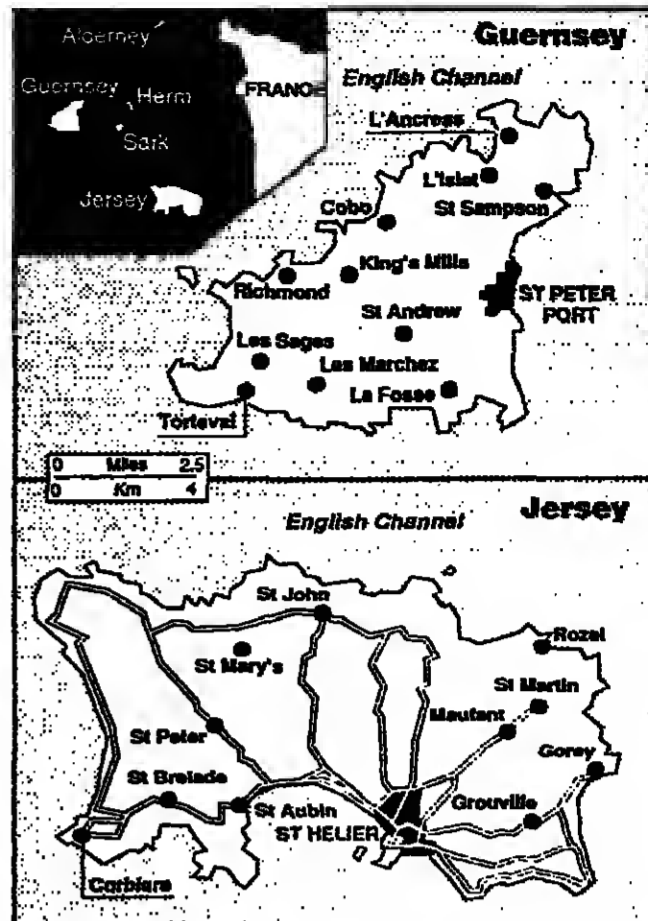
Guernsey's rapidly growing Financial Services Commission, set up as an independent body just over a year ago, is an obvious manifestation of the new trend towards offshore regulation.

"Dealing with a quango is preferable to a civil service," claims Nigel Taylor, investment superintendent.

But Jersey officials are sensitive to suggestions that the retention of regulation within the commercial relations department is in any way less efficient. They point out that the establishment of a separate commission in Guernsey relates as much to a political row about the disclosure of high salaries paid to regulators as to inherent regulatory advantages.

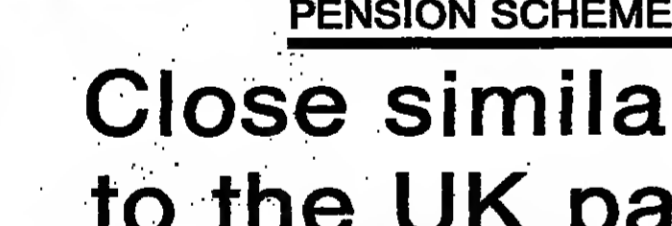
All the same, Jersey is considering structural reforms which might bring financial regulation under a new committee, following recommendations, 15 months ago, in a report commissioned from the management consultancy division of Peat Marwick McLintock.

Barry Riley



New regulatory plans indicate that the once free-wheeling offshore finance industry in the Channel Islands is steadily being brought under stricter supervision.

Nigel Taylor, investment superintendent: a trend toward offshore regulation.



PENSION SCHEMES

Close similarities to the UK pattern

VERY MUCH like on the mainland, the personal pensions revolution has arrived in the Channel Islands. Modern legislation came into effect in Guernsey at the beginning of 1984 and in Jersey at the start of 1987.

Personal plans sold under these laws closely follow the UK pattern - but there are differences. For instance, in the Channel Islands, individuals may contribute both to occupational and personal pension schemes at the same time, with the proviso that the combined benefits will not exceed the maximum permitted.

Pension schemes, in the Channel Islands as elsewhere, are based upon tax deferral. Part of the tax framework (the attractive part) is that income tax is deferred on earnings paid into the fund, and investment income received by the fund also rolls up tax-free.

The less congenial part of the bargain is that the funds are locked away until retirement, and at that stage most of the benefit must be taken in the form of an annuity, on which tax is payable.

However, a limited proportion of the fund may be received as a tax-free lump sum.

Given the low (20 per cent) income tax rate in the Channel Islands, the tax shelter is less attractive than on the mainland. Also, there are annual contribution limits, which this year stand at \$5,000 and \$5,300 in Jersey and Guernsey, respectively. Finally, contributions are restricted to 15 per cent of pay compared with 17 1/2 per cent in the UK (and higher after age 50).

The whole deal is therefore

rather less generous than in the UK, especially for the higher paid, but nevertheless the personal plans have proved reasonably popular.

"Personal pension plans are particularly attractive to many partnerships in the islands," says Rodney Benjamin, a partner in the Guernsey office of consulting actuaries, Bacon & Woodrow.

The business is mainly in the hands of branches of UK

international pension fund arrangements bring a steady flow of business

based life assurance companies (and exclusively so in Jersey) but in Guernsey there is the option of placing contributions with trust schemes. These can be established by any group of eligible persons, but the Guernsey Retirement Annuity Scheme (GRATS) is open to all.

Besides this local business, the Channel Islands are seeking to carve out a niche in the developing field of offshore pensions.

On the face of it, offshore pensions are something of an anomaly because since offshore funds are not liable to local taxation in any case, there is no very obvious reason why companies and scheme members would want to tie themselves down in an inflexible pension scheme structure.

However, the rapid growth of multinational enterprises which post senior employees from country to country has revealed the need for internationalised pension fund

arrangements.

"There's a steady flow of business, mainly from UK multinationals, but also from elsewhere," says Rodney Benjamin.

The need for a mobile individual to be able to accrue pension rights while working in several countries, and then to receive the benefits possibly in a quite different territory where he chooses to retire, poses impossible problems for the typical corporate pension scheme which is firmly rooted in a single territory.

For instance, executives posted to unbanked countries might wish to accrue rights rapidly and retire early. This might be difficult to accommodate within the structure of a normal scheme. After retirement, moreover, pensions might be subject to withholding tax, might be paid in an unsuitable currency, or might even be blocked by foreign exchange controls.

Why not simply accumulate savings in a tax-free offshore funds?

"Structuring savings as a pension plan may be more acceptable to the tax authorities in some countries," observes Rodney Benjamin.

Which is the better centre for offshore pension funds, Jersey or Guernsey?

There seems to be comparatively little in it, with Guernsey offering more in the way of life assurance expertise, but Jersey perceived to be more flexible about the percentage of benefits which can be taken as lump sums - though the differences here may be narrowing in practice.

Barry Riley

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CHANNEL ISLANDS 4

A year of movement in the stockbroking community

Game of musical chairs brings a bureaucratic dilemma

THE MOBILE and sometimes unruly stockbroking fraternity has provided some dilemmas for the Channel Islands' bureaucracy in the past year. In the upheavals following first Big Bang in the London Stock Exchange and then Black Monday a year later, several firms have shut down, others have started up, and there has been a general game of musical chairs as local brokers have sought to find, or start up, firms offering more congenial and stable employment.

The good news is that several new firms have been established. For instance, the merchant banking group Brown Shipley last month launched Brown Shipley Stockbrokers in Jersey, adding to its existing chain of 20 or so regional stockbroking offices on the UK mainland.

"We didn't feel that the concept of the good old-fashioned agency broker was dead," says David Berkeley, chairman and managing director of the Brown Shipley group in St Helier. "The timing was perfect, when other firms were laying off staff."

The action is not moving all one way: one of the biggest London securities firms, Barclays de Zoete Wedd, has opened a Guernsey office.

Another start-up firm is Channel Islands Portfolio Managers, also based in St Helier. Despite its name, it is essentially a broking business, and claims to be reverting to an old stockbroking concept, but using modern technology. In

less than a year its directors have attracted over 400 clients and CIM managers, or advisers on around £100m of funds.

Both these firms have drawn heavily on the expertise of executives from other brokers.

These start-ups, in effect, form part of the process of unscrambling many of the alliances put together pre-Big Bang.

Matthews and Carey. But last year Hoare Govett decided to move out of private client broking, and abruptly sold the business to the British & Commonwealth Merchant Bank.

All this, together with the post-crash slump in business, created such loss of morale that Hoare Govett in Jersey has been split apart. The Jersey business of another big London broker, Phillips & Drew, seems to have disappeared entirely. Two leading ex-F & D executives are now running CIM.

Elsewhere, there has been less drastic retrenchment. In January, James Capel sacked 23 staff in Jersey and Guernsey and dismissed an associated settlement team of 30 in London. But the firm has declared its intention to continue to operate in both islands.

Meanwhile, the action is not all moving one way. One of the big London securities firms, Barclays de Zoete Wedd, a member of the Barclays Bank group, has opened a Guernsey office to service the Channel Islands.

Small and efficient brokers can still make a comfortable living in the Channel Islands. Andrew Lampert at Dean Witter (Canada) has built up an international clientele for North American stocks.

"Fortunately, we've not really been affected by the current overcapacity in stockbroking," he says. "By remaining small and cost-conscious we have stayed profitable every month since the crash."



The feudal Isle of Sark: financial shock for many residents.

Air of disbelief on the small island Sark's lark killed off

SARK'S 'lark' - the bird that laid golden eggs for many of the 520 inhabitants of the 1,274-acre feudal Isle - has been officially killed off.

On January 1, Guernsey and Jersey introduced a new category of tax-exempt non-resident company that can be wholly run from within the islands.

The move is designed to end the so-called 'Sark lark' which arose from the previous need for such companies to show they were controlled from outside.

The majority recruited directors from Sark's still essentially rural community and held their board meetings there, often over a leisurely lobster lunch.

In Sark, there is an air of disbelief that the easy pickings are really over, especially as there will be no overnight transformation. Existing non-resident companies have a year's grace to re-arrange their affairs. Some Sark directors say that, in any case, more companies registered in the Isle of Man, Gibraltar, Panama and elsewhere are making use of their services.

Because few talk about it, the full extent of Sark's lark is unknown. But many thousands of companies are nominally controlled from this sleepy Isle where there is no company law, where cars are banned and where the constitution has altered little since Helier de Carteret, the first Seigneur, colonised it under the patronage of Elizabeth I after driving out the pirates.

At £100 to £200 a year, Sark directors - particularly a husband and wife team - have little trouble in collecting an annual income of around £10,000. Some islanders believe that the earnings of a top flight handball are upwards of £100,000.

Most Sarkese are resentful about what they have dubbed 'the Guernsey grab', claiming that the larger island simply wants to divert fringe benefits, such as the lobster lunch trade, to its own territory.

But both Guernsey and Jersey were under pressure to get rid of the Sark 'rent-a-director' business, which has cropped up continually to cloud the Channel Islands' reputation as a responsible finance centre.

Mr Michael Beaumont, the hereditary Seigneur, is surprised that Sark's 'bubble' has lasted so long. He points out that, with no income tax, the wealth of residents is unrelated to general revenue, so the lark's demise will have no direct effect on the island's budget.

Nevertheless, the decline in directors' fees will mean less money for island children's private education at boarding schools and colleges, and is also worrying resident who have taken out mortgages or home improvement loans on the strength of such earnings.

Other islanders, meanwhile, are resigned to taking no more exotic holidays abroad and to downgrading their choice of weekend jaunts.

The end of the Sark lark has been welcomed in Alderney, which is making a spirited bid to establish itself as a base for overspill finance business from Jersey and Guernsey.

Alderney is much the same size as Sark and is similarly part of the Guernsey Bailiwick with a measure of self-government. But it is more sophisticated.

Most of its 2,200 population live in or around the cobbled streets of the little town of St Anne, and the island has its own airport, a nine hole golf course and a separate company law.

Tax revenue from wealthy settlers (at Guernsey's rate) and tourist trade have enabled Alderney to pay its way, and it is only recently that the island has sought to broaden its economic base by attracting offshore finance business.

At the end of last year the finance house of Dunbarry Trusts set up in St Anne and a UK building society is expected to move into the newly built Oliver Court shortly.

These developments, together with a number of promising inquiries, are seen as a sign that Alderney's campaign to show its suitability as an alternative Channel Islands location is beginning to bring results.

One advantage, compared with Guernsey or Jersey, is that the island has no housing restrictions. Property prices compare favourably with those of 'open market' houses in Guernsey available to newcomers.

Aurigny Air Services, based in Alderney, provides year round links with the larger Channel Islands and with Southampton, and it is possible to be in the City of London two hours after leaving St Anne.

Local businessmen point out that Alderney is in a good position as the other islands to handle, say, the administration of an offshore fund for a smaller insurance company, since it shares all Guernsey's telefax and computer link facilities.

On the supervisory side, Alderney is covered by Guernsey legislation such as the depositors, insurance business and investor protection laws, while Guernsey's Financial Services Commission is responsible for overall regulation of the Bailiwick's finance industry.

Office accommodation is available, notably at the new Oliver Court complex, due to be officially opened in April, which has 17 office suites and a conference room built round a courtyard. Mitchell & Partners, the agents, say that the rent is £50 a week for ground floor offices and £80 for first floor offices.

Meanwhile, the general attitude of Alderney's inhabitants to these developments is summed up in the words of its best-known resident, the cricket commentator and wine connoisseur John Ariott, who says that, though financial activities are set to grow, they will never be allowed to swamp the island's character.

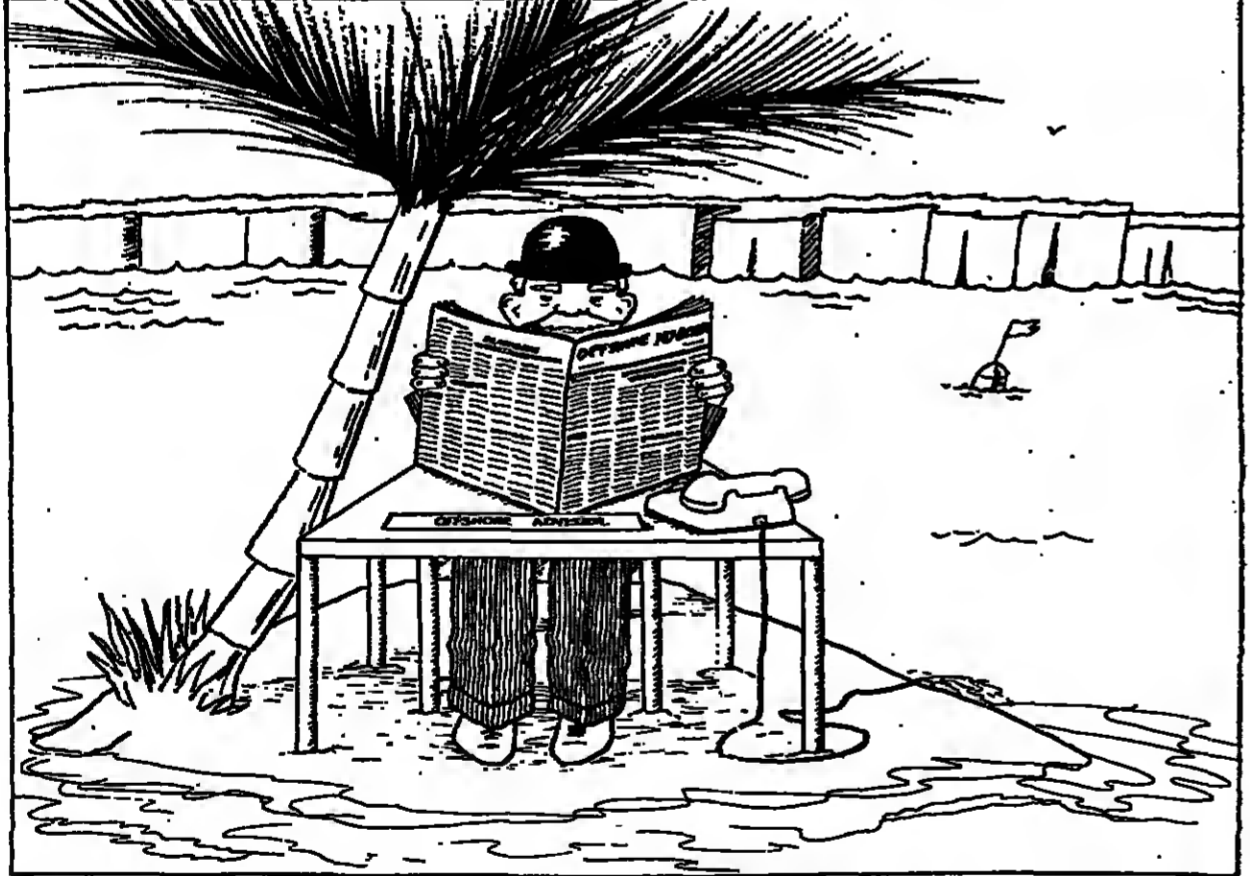
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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

CHANNEL ISLANDS 5

Regulations control prices and who can - and cannot - own property, says Robin Reeves

Jersey housing laws under fire

MR CLIFFORD JONES, the energetic managing director of Jersey estate agents, Broadland Estates, is campaigning for the abolition, or at least drastic reform, of the island's draconian Housing Laws.

The present system of strict Government controls over the housing market is antiquated, he says. "In a democracy, people are entitled to a free housing market. Why should they be told the price at which they can buy or sell their property?"

Law, are an immigration control measure, designed to ensure that the indigenous population of the island is not priced-out of its own housing market.



Jersey's housing laws pre-date the finance industry boom. Under the housing legislation, as a general rule only persons born in Jersey - or their offspring - have the right to buy or lease property on the island.

professional workers, such as bank managers, doctors, and dentists who are granted the right to lease a property after 10 years and to purchase freehold after 20 years.

According to the criteria used by the committee, the right price for a house in Jersey is its current replacement value using the same building materials, plus an amount for the building plot, the fixtures and fittings and the professional fees arising from the transaction.

units for rent or purchase by 1985, when the population was expected to have reached 50,000. The 1986 census however showed that the population was already in excess of that figure and that the housing requirement was 1,350 units out of date.

Tighter controls on housing are proposed

Prices fall on Guernsey market

HOUSING PRICES on Guernsey's Open Market have fallen by about 15 per cent since last autumn, according to Mr Ben Lovell of Guernsey estate agents, Lovell and Partners.

residential properties on the island are reserved for the local market, in which current prices vary from \$88,000 for a two to three-bedroom terrace house on the outskirts of St Peter's Port, needing money spent on it, to \$260,000 for a farmhouse with outbuildings.

has not prevented a political row breaking out over recent moves to tighten them in an effort to stem the island's population growth.

Grant seasonal immigrant workers licences to occupy Local Market accommodation for only 9 months at a time, after which they must re-apply.

Mr Lovell, who is also President of the Housing Authority, is confident that this tightening in the regime will stabilise the growth in the island's population.

Mr Vandervliet accepts that these controls have not solved Jersey's housing problems. He stresses that there is no problem about housing essential employees, but the growth in the number of households which has been fueling housing demand in the UK generally is creating difficulties, as is the problem of finding additional building land.

"Last April, it valued a property at \$69,950. After we questioned it, the department came back in June with a price of \$78,948 - simply because someone took it to task."

New courses in further education and management training

Moves to upgrade the workforce

ALTHOUGH the Halifax, Britain's biggest building society, has a presence in Jersey (following its takeover of a local financial institution) which it employs to attract deposits from the island.

Local school-leavers with few qualifications are able to walk into some relatively well-paid jobs in banking. Others are in jobs with qualifications below those which would necessarily hold down a comparable job in the UK.

The islands seek to curb population growth with tighter immigration controls, improved workforce training and increasing use of new technology

One consequence of the growth in the finance industry has been a sharp decline in the number of school-leavers opting to acquire the traditional craft skills. Highlands careers not only that the island's property is occupied by those legally entitled to do so but also with approving the prices at which dwellings are bought and sold.

Each department also has its own industrial advisory panel designed to ensure courses are reflecting the changing needs of the local economy. "There is a tradition of participating in public affairs in the island, which spills over into education and training," he says.

In Guernsey, on the other hand, an apprenticeship scheme in traditional craft skills launched during the 1960s with the establishment of the island's College of High Education is alive and well, says Mr Bryan Chestham, Vice Principal of the College.

block grant in the early years of apprentice and financial compensation for the day-releases of apprentices. But equally, it is a sign of the times that the college is seeking to accelerate the time taken for apprenticeships, initially in catering and motor vehicle engineering and thereafter construction and electronics, by persuading employers to agree to block releases.

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Advertisement for The Jersey Evening Post featuring an illustration of a bed and text describing its reach and content.

Efforts are being made to raise the value of goods and services without increasing the numbers employed

Advertisement for Healey & Baker International, a real estate agency, featuring an image of a boat and listing services like rent reviews and valuations.

Advertisement for a prestigious office development in St Peter Port, Guernsey, with details on size (52,175 sq ft) and contact information for St Quintin and Martel Maides & Le Pelley.

CHANNEL ISLANDS 7

Bob Baker reports on the expansion in postal and telecommunication services

The boom years continue

WITH the exception of philately, which has generally seen a downturn of interest worldwide, the independent postal and telecommunication services of the Channel Islands continue to enjoy a series of boom years.

Roosted by the finance industry-led economic growth which until recently was growing at up to 10 per cent a year in real terms, these essential services, particularly in an island context, are handling increasing volumes of business at record-breaking pace, relatively cheaply and profitably.

In 1987, the last year for which statistics are available for all these services, Jersey's Post Office handled 59.5m letter-postings alone, an increase of nearly 4m on the previous year.

Both Jersey and Guernsey postal systems are handling increasing volumes of mail order and sale-by-post traffic.

The number of letter bags received in Jersey was 99,713, against 89,643 in 1986 and 79,070 in 1985. The number of parcels received made another record at 121,644.

Around 94 per cent of inward first-class letters delivered daily had been posted the previous day and 94 per cent of inward second-class mail was delivered by the third day after posting.

Including philatelic profits of £25,370 (earned on a turnover of £1.4m), the Jersey Post Office produced a record profit of £2.06m - the £1.6m attributable to Post Office and Mails was the largest ever.

To maintain services and profits, the Jersey Post Office (an island government department, unlike its 'sister' opera-

tion in Guernsey where it is a self-financing, autonomous trading undertaking) is planning a new postal complex in St. Helier, with increased mechanised handling.

The project, approved by the island parliament late last year, is expected to be completed by 1993. This is seen as the way to maintain and improve efficiency, without a big increase in manpower, and was suggested by the British Post Office Consultancy Service as long ago as 1985.

Guernsey's Post Office completed its own, purpose-designed £4.5m headquarters in St. Peter Port five years ago - but, even so, it has since had to increase its parcel-handling facilities.

During 1987, its sorting staff handled nearly 16m inward and outward postal items, including parcels which, on occasions, have even included a setttee and a large tractor tyre, sporting an addressed label tied on with a piece of string.

Both Jersey and Guernsey Post Offices use roll-on, roll-off ferry services for parcel carrying and, while Jersey uses scheduled air services for letter mail, Guernsey uses a chartered carrier operating from Luton Airport.

Weather and technical hitches willing, inward mail arrives in Guernsey between 6.0 a.m. and 6.30 a.m., most mornings. The latest posting time for outward mail is 4.15 p.m.

Jersey and the British Post Office are currently requesting their joint mail and newspaper carrier, TNT, to arrive by 6.45 a.m.

The latest outward posting

in Jersey, largely because of higher volumes, is 3.30 p.m.

Guernsey's Post Office, which is also responsible for postal services in Alderney, Sark and Herm, has around 29,000 philatelic standing account customers worldwide.

The number is roughly the same in Jersey and continues to make profits of some £250,000 a year, although in the past these have reached as high as £1m.

Since 1985, when the two islands gained postal independence from the UK's former GPO, Guernsey's Post Office has voluntarily contributed approaching £10m worth of philatelic profits to the island government's general revenues.

In 1987, Guernsey Telecom produced a trading surplus of £2.9m against £2.5m the previous year, and saw its gross income rise from £7.3m to £9.5m.

In Jersey, a profit of £5.9m (£4.5m 1986) was achieved on gross income of £18.7m (£15.7m).

Considerable investment, averaging £4m a year in Jersey alone, continues to be made upgrading exchanges to 'System X' throughout the islands.

Various projects are introducing the latest equipment, including transverse screen and fibre optic networking and data communications for customers and improving submarine cable, along with British Telecoms, with microwave links with the outside world.

A new £10m digital fibre optic cross-Channel submarine cable has recently been completed and is on test.

Jersey is about to commission a new 140 megabyte, digital 2,000-circuit microwave link with France and the UK which should provide, among other things, 100 per cent back up for the Channel Islands, should the submarine cable links fail.

Jersey's 45,000 subscribers are charged at 3.5p a unit and Guernsey's 31,000 are charged at 3.5p, in each case with unlimited time on local calls, against the UK rate of 5.5p a unit.

For this, they have direct trunk dialling to all parts of the UK - international dialling to 185 other countries, plus telex to some 220.

The use of facsimile services, telephone pagers and cellular phones is 'increasing in the islands, along with all forms of modern data communications systems. Guernsey users of SWIFT (Society for Worldwide Interbank Financial Telecommunications), for example, transmit over 100,000 messages a year.

By this summer, both islands will be offering Megaline and Kiloline high-speed, digital data services and ISDX, already available in Guernsey, will be in Jersey by the year end.

Mr T.F. Ayim, director of the States of Jersey Telecommunications Board, is already predicting the arrival of video telephone services in the not too distant future, following equipment demonstrations this year.

Senator Horsfall says - a dero-

Agriculture, horticulture and fishing sectors win larger orders

Strong exports of edible produce

AGRICULTURE, horticulture and fishing have for generations provided the economic 'lifeblood' of Channel Islands.

Their islands, blessed with fertile soil and a mild climate, are still famous for the distinctive, pure breeds of Jersey, Guernsey and Alderney dairy cattle - although the latter, because of the German Occupation, have sadly ceased to exist in their homeland.

Today, the islands are also substantial exporters - mostly to the UK - of a variety of edible produce, especially Jersey potatoes and Guernsey tomatoes, with an equally wide variety of cut flowers, including Jersey narcissi and Guernsey freesias, the latter holding 85 per cent of the UK freesia market.

Commercial fishing, which once took islanders as far as the waters off Newfoundland - and indirectly helped to spawn the overseas demand for distinctive traditional Jersey and Guernsey pullovers - is undergoing a revival in both Jersey and Guernsey, with

strong local sales and increasing exports of crustacea and wet fish.

Maintaining these indigenous industries continues to provide a solid challenge, not only for those directly involved, but also for politicians and civil servants who are anxious to ensure these activities remain important parts of the insular economies as well as being vital contributors to the social and physical well-being of island life.

Jersey's agricultural, horticultural and fishing interests, together earning over £42m a year, are overseen by the island's Committee for Agriculture and Fisheries, headed by Senator Pierre Horsfall.

In Guernsey, where horticulture - with an export value of around £32m - is predominant, these sectors are overseen by three separate committees.

In Jersey, while the interests of crop producers and fishermen are far from overlooked, great importance is attached to the 6,000-head herd of dairy cattle, 4,000 of them milkers.

Senator Horsfall and his chief officer, Mr Peter Bastion, believe their committee "has closer control of dairy farming than anywhere else" - this includes involvement in milk recording, artificial insemination, animal health, breed improvement and slaughtering.

They estimate that the herd produces around 3m gallons of milk a year to meet a liquid requirement of some 2.2m gallons, with the remainder converted into cream, butter and yoghurt, but no cheese; the entire output is worth some £7m at retail prices.

Protecting the health and purity of the Jersey breed in which export interest is increasing is paramount importance. This is why -

Senator Horsfall says - a dero-

gation supporting a continued ban on importing other breeds (even deer, sheep and goats are kept out), has been agreed with the EC. He expects a similar derogation to be approved to prevent the importation of liquid milk from the EC into the islands after 1992.

Nearly 60 per cent of Jersey's 45 sq. miles is in agricultural use. Around 75 per cent of local dairy farmers also grow crops.

Despite agricultural land values of around £7,000 an acre, against an average of some £1,500 in the UK, 36 per cent is farmer-owned in Jersey and much of the acres are leased from benign landlords at £300 to £400 an acre.

During 1987, £27.5m worth of crops were exported; these included potatoes (£15.6m), tomatoes (£5m) and cut flowers (£2.5m).

Guernsey's peak year for horticultural exports was 1985 when, at 1987 values, its commercial glasshouse industry earned an estimated £88m, mostly from tomatoes. It also worked 1,129 acres of 'vines' - so-called because, a century ago, grapes were the principal crop - and employed more than 5,000 full-time staff.

In 1987, the value of Guernsey's horticultural exports was estimated at £22.2m of which £10m was earned by tomato-growers. In addition, the industry worked only 690 acres and employed only 1,617 full-time staff.

In a recent report by the States Committee for Horticulture, this traumatic shrinkage was attributed to the second round of oil price increases in 1980 which, quite simply, made tomato growing in heated glasshouses unprofitable in Guernsey.

Many growers went out of business while others survived by switching to other produce such as freesias, carnations and crops with relatively low heating requirements.

Since 1985, however, growers have seen falling oil prices - and a return to the profitability nearer the levels of the 1970s which has generated confidence and is encouraging new investment.

With expanding markets in the UK and northern Europe, particularly for quality produce, the committee is anticipating total returns of £40m in 1989 from 570 cropped acres, against the present 630 acres.

To help the process along, the island government has approved a six-year programme to encourage more capital investment plus measures to improve produce and market promotion, training facilities and crop development. At the same time, government spending on advisory services is to be restricted and growers will be encouraged to pay for specific services received.

Farming, too, is to receive a boost from the construction of a new £22m government-run dairy which will annually sell more than 24.8m worth of liquid milk, butter, cheese and yoghurt to local customers.

The industry has seen a decline in the number of farms since 1978 from 135 to 87, but the herd size some 4,000 with 2,400 milkers has remained the same. Over the decade, liquid milk production has risen by 15 per cent from 6.04m to 6.2m litres.

Senator Horsfall says - a dero-

Bob Baker



Tomato-picking in Guernsey.

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Four-month-old oysters at an Guernsey sea farm. Ashley Johnson

Shellfishing industry

Rivalries between the islands

JERSEY and Guernsey are the base for a £10m-a-year shellfishing industry - with the two islands working in great rivalry.

One factor that helps to unite them, however, is a mutual dislike the grant system for fishing industries from Britain and European Community.

Channel Island shellfish harvesting and processing is an up-and-coming industry with a yearly income of around £6.5m, of which Guernsey has an income of just over £3m.

Both islands have developed their industry without British or European Community aid - but must continue to compete with grant-aided fishermen from France and Britain.

For many in the islands, conservation of shellfish stock around Jersey, Guernsey, Alderney and Sark is also an important issue.

While EC regulations seek to control and reduce certain fishing activities, the view among fishermen in the Channel Islands is that such a reduction would not be necessary if fishing interests were allowed to develop purely on their own finances - as has been the case in the islands.

"All we want to achieve is the conservation of our stocks in the face of subsidised operators - and we believe that other countries should adopt a similar

policy," says a Guernsey fisherman.

The Guernsey Fishermen's Association is also seeking to close what it sees as a possible 'loophole' in safety regulations, whereby UK vessels can register in Guernsey.

Another issue that causes frustration among Guernsey fishermen is the layout of harbour developments at St. Peter Port, where there is some resentment about "being hived off to a quay in a remote corner - many of the fishermen would have preferred the authorities to have built simple slipways, so that loading and unloading would be easier."

With tides varying as much as 34ft, some skippers and crewmen claim that it is difficult to come alongside the new quay.

Despite the Jersey port of St. Helier having invested £1.4m in a new fish quay and 22 acres of land for the fishing industry, some crews are unhappy about the development. The quay is a two-tier construction because of substantial tides.

Fishermen maintain that most of the island's shellfishing boats cannot easily use the facilities because the channel is too restrictive and the quay lacks lifting facilities to offload produce.

Barrie Stevens

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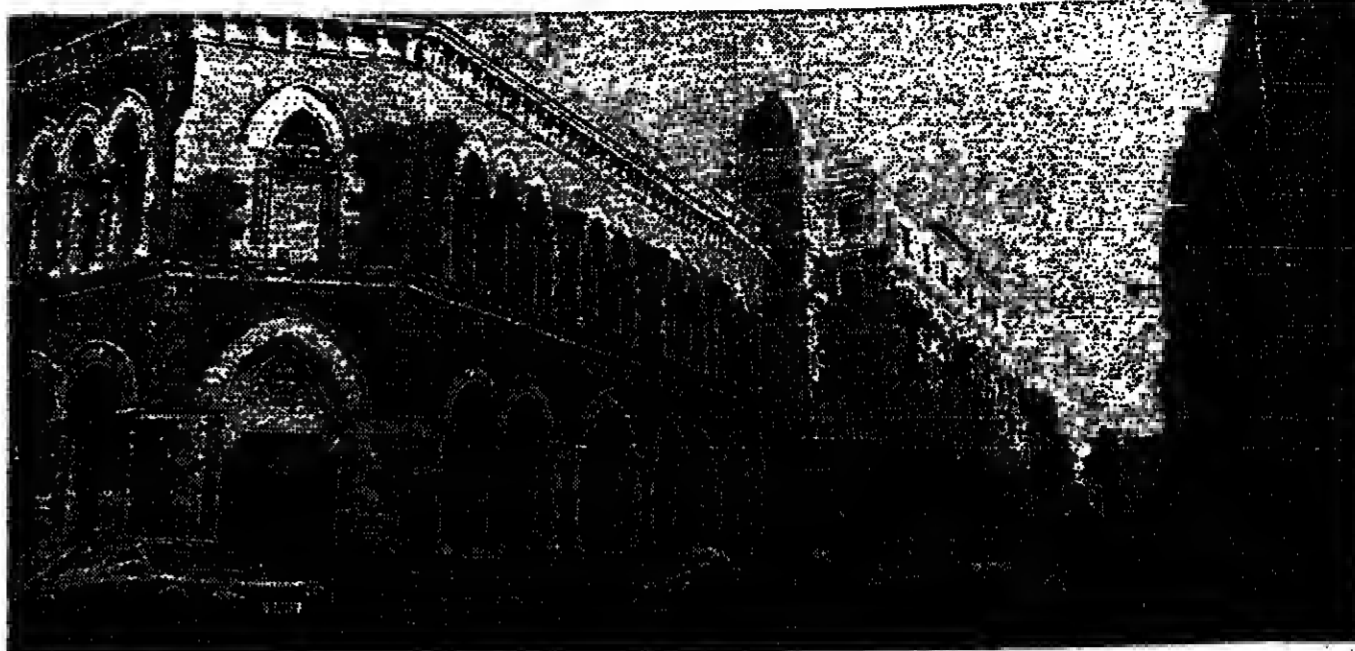
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CHANNEL ISLANDS 8



Tranquil harbour scene at St Sampson, Guernsey



Banks in Library Place, St Helier, the capital of Jersey

Edward Owen on plans by the tourism industry "to get its product right"

Battle with mass-market competitors

WITH the Single European Market and the Channel Tunnel project looming ahead, the tourist authorities in Jersey and Guernsey are giving a great deal of thought at present to future strategy. Jersey's Tourism Department, recently re-organised under its new director, Ms Sheila Henwood, to create a separate Continental marketing division, has a working party studying the recommendations of the two major reports on the industry's future.

entertainment facilities to conservation of the countryside. Tourism remains a very important second leg of the economy in both Jersey and Guernsey, and is the main support of Alderney, Sark and Herm. A survey last year put Jersey's earnings from this source at £216m. Guernsey's estimates differ, but Mr Walden says he believes the figure must now be around £100m.

and spectacular scenery, or even on their considerable array of castles, museums and other attractions like the Jersey Zoo or Victor Hugo's house of exile in Guernsey. Festivals and other events are organised throughout the season. Besides its famous battle of Flowers and well-established Good Food Festival, Jersey has Italian, Portuguese and French weeks and is introducing a new event, the Jersey Fair, during May.

festival first held in 1987. Guernsey has also been particularly successful in promoting itself as a boating centre. The island was the main sponsor of the 1988 London Boat Show and last September hosted the World Powerboat Championships (earning appearances in BBC TV's marine soap opera, *Howards*).

Nevertheless, while local tourism officials generally share the confidence of Mr Roger Le Monnier, Jersey's marketing manager for Europe, that the islands' holiday product is "sufficiently unique to retain a very strong appeal," it is accepted that the novelty of the Channel Tunnel and easier European travel could lose them, at least initially, some of their traditional UK holiday business.

per cent. One problem still to be overcome, though, is the reluctance of many island hoteliers to contract rooms to Continental tour operators often with nerve-rackingly late release dates as long as they know they can fill their beds from the British market.



The attractive cobbled streets of St Peter Port, Guernsey

Tourism remains a very important second leg of the economy in both Jersey and Guernsey

So far, the islands have successfully held on to their tourist trade against competition from mass marketed package tours to sunnier resorts, although local hoteliers are having to adapt to later bookings, shorter stays and room rates geared to tour operators' requirements.

Way as a small riposte to Jersey's long-running TV exposure through the *Bergerac* thriller series). Another big powerboat event is to be held in Guernsey this year, along with several regattas and yacht races.

Both the larger Channel islands have had compulsory hotel grading for 40 years, but fresh standards are now being set for the 1990s. A new Jersey scheme due to come into force in 1991 has been "an enormous exercise, really in depth," according to the president of the hoteliers' association, Mr Albert Able.

has allowed tourist properties to be sold for housing and residential homes for the elderly. The managements of Guernsey's top 12 hotels have protested that this will have a "disastrous" effect on recruitment and make it impossible to attract the quality of staff needed to maintain good standards of service.

Particularly hard-hit has been the self-catering sector, which Guernsey started to develop in the early 1970s while Jersey was still discouraging it. The Tourist Board's policy of having holiday bungalows built to a permanent standard has rebounded on it, because these properties have made ideal lower-priced homes for first-time buyers.

The dilemma is typified by the situation of Guernsey's four-star 133-bedroom St Pierre Park Hotel, whose Jersey owners, Ann Street Browsey, promised to train and employ largely local staff when the establishment was opened in 1983.

The 1992 issue

Continued from Page 1
standable resentment on the part of young people being priced-out of the housing market.

rooted, and Jersey has become very dependent on it for tax revenues - "there can hardly be a Jersey family that does not have a member working in the finance industry," he says.

was something of a backlash. But measures to limit employment growth have been strengthened. Jersey has become tougher in its attitude to "category" skilled immigrants who can now only obtain relatively short-term (though renewable) employment contracts and can be much less confident than before that they will be able to remain in Jersey for the ten years needed to obtain the right to purchase a house.

Richard Arnold, president of the Guernsey Chamber of Commerce - "there's a fear of the unknown," on the 1992 issue.

Higher standards, however, call for the kind of resources that are stretched to the limit in the Channel Islands, such as land, building contractors and skilled catering staff. The pressures of an overheated economy on the tourist industry are already showing themselves in Guernsey.

Staffing has also become a critical issue in Guernsey. Under a proposed sharpening of the housing regulations, designed to curb immigration from settling in the island, hotel staff from outside would be allowed to stay for only nine and then never return.

In the event, the hotel has had to import virtually all its staff and recently applied to build a 100-bed block on the site to house them. Here, however, it came up against planning restrictions and, like another hotel that wants to add an 18-hole golf course, had its application turned down.

Under a proposed sharpening of the housing regulations, designed to curb immigration from settling in the island, hotel staff from outside would be allowed to stay for only nine and then never return.

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ACCOUNTANCY COLUMN

The brand new concept of current people accounting

By Richard Waters

FORGET brand accounting. I have invented a way of putting a company's real worth into its balance sheet.

I have to confess that my idea is similar to brand accounting, which involves putting a value on these intangible assets and so creating extra reserves out of nowhere.

All you do is to wander around your office, look out for any people who may be around, and value them. (When I say value them, I actually mean put a value on them - I'm sure that as a caring employer you value them already.)

This system, which I have patented, is called Current People Accounting (CPA for short).

People are just as much assets as brands. They clearly fit the definition, contained in Professor David Solomon's suggested accounting framework last year, of an asset: resources that are expected to yield a company future economic benefit and which it controls.

You even hear talk of "stock market obviously understands the concept."

What is more, people are easier to identify than brands - there seems little room for dispute about what one is or how you distinguish it from other intangible assets.

Value people? Much too

risky. I hear you say. They might get up and walk off.

True, but then most assets have a finite useful life. The only question is how long that is going to be. And if you really think that your people might just walk off, shouldn't shareholders know? They might be concerned: they think you are doing something to make sure

forward for the next 30 years (by which time I will be the editor, so my value to the paper will have gone up enormously by then), and discounted the whole lot back to present values. The result: £12.53.

Unhappy with this, I went on to method number two, which involved calculating my historic cost. This was simple: I added together what the FT had spent in hiring me and the training that has gone into making me the highly professional journalist I am today. I then depreciated this at a rate of 2 per cent a year to reflect my mortality. Result: £2.50.

Hmmm. Method number three was to work out my replacement cost - how much it would cost the paper to fill my shoes. This is difficult because I consider I am unique, but at a pinch it might be possible to retrain some highly skilled individual. This was more like it, because I ended up with the figure of £56,823.

For luck, I tried one more method: market value. If I were to offer myself on the open market, what sort of "signing-on" fee could I command? The market is a bit hit compared to that for, say, footballers, but I ended up with an estimate of £5. (If you think this is too modest, please let me know).

However, I decided the mar-

ket value method was a bit unreliable. After all, some teams of stockbrokers get big signing-on fees two years ago, and look at them now.

The findings from my experiments are extremely encouraging. The FT could never afford to replace me; my value to the paper is more than I cost it in the first place, and so it is

bet value method was a bit unreliable. After all, some teams of stockbrokers get big signing-on fees two years ago, and look at them now.

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depreciation rate is higher than the average, because these people wear out or walk out more frequently than most. What sort of return are you making on this investment - and how does it compare with other uses to which the capital could be put?

I estimate that, having used this system, half of the advertising agencies in the UK would close down and put their money in the building society instead.

A second way of judging people managers is on changes in the value of their workforce.

If, in the above example, your £100,000 workforce at the start of the year is worth only £75,000 at the end, you have serious questions that need to be addressed.

Is the manager "milking" his assets for short-term profits with no view to the future? Has he failed to invest in the next generation of income-generating workers? Has he failed to look after his assets and allowed them to fall into a state of disrepair?

I think I have hit on a fashionable notion here. In its seminal report on financial reporting last year, Making Corporate Reports Valuable, the Institute of Chartered Accountants of Scotland suggested that companies should produce a Statement of Changes in Financial Wealth each year.

My CPA adjustment would be an important part of such a statement - in fact, the single most important part for any people business.

Comparing depreciation rates between companies would also be useful. If one company wrote off staff over ten years and another in the same industry over five, share

holders could justifiably quiz their directors on the disparity. There are also advantages in all this for workers. Wouldn't you like to know how much your employer thinks you're worth? Or how fast you are being depreciated? Or when your depreciation rate is speeded up?

The possible uses seem almost endless. If you would like to subscribe to this system, please drop me a line - or better still write to the Accounting Standards Committee. And, please, no more of this brand accounting nonsense.

Putting a value on people is a tricky one, but here are four methods tried as an experiment

People managers could be judged by return on capital as represented by their staff

Wouldn't you like to know how fast you are being depreciated, or when the rate is speeded up?

ACCOUNTANCY APPOINTMENTS

Brewer Morris Pure Taxation Recruitment

Cadbury Schweppes

Tax Manager-Group H.Q.

To £35,000+ Car + Bonus + Benefits

Cadbury Schweppes PLC is the largest British owned confectionery and soft drinks company - a major international group with companies in almost 50 countries and products exported to a further 100 markets.

The Group has concentrated resources on exploiting its leading beverage and confectionery brands. Existing businesses have been supplemented by carefully planned acquisitions and non-mainstream operations divested.

Since 1985, Trading Profit and Earnings per Share have more than doubled.

The established tax function is headed by an experienced Group Manager, who now seeks to recruit a deputy. As No. 2 there will be initial involvement, for a transitional period, with some U.K. corporate tax compliance. You will also take responsibility for VAT planning and liaison with Customs & Excise. The main emphasis, however, lies in an increasing involvement with planning for tax efficient business structures internationally in conjunction with the Group Manager - Revision of international structures, acquisitions, divestments, financing techniques and dividend/royalty planning.

Suitable candidates are likely to be professionally qualified, aged 28-35 years, with approximately 5 years P.Q.E. in tax. The role demands a questioning pro-active approach, strong communication skills, and a good feel for commercially workable tax solutions. It represents an outstanding challenge for tax specialists - a front-line role in one of the U.K.'s most prestigious organisations.

For further information contact Nicki Corner on (01) 936 2040 (evenings w/ends (01) 325 1516) or send a C.V. and covering letter to Brewer Morris, Ludgate House, 107 Fleet Street, London EC4A 3AB.

Chief Financial Officer

European role
£44,000 + bonus, car etc
Middlesex

Our client, a successful and growing part of a US parent, has significant Service Industry interests in the UK and Europe. To take account of further development plans, the Company requires the services of a Financial Executive of positive commercial approach for this new and key appointment.

Reporting to President and Chief Operational Executive, who is based in the UK, the successful applicant will, in addition to overall responsibility for the co-ordination of effective accounting, budgeting and financial planning for UK and Europe, participate in determining corporate policy and commercial strategy.

Applicants, aged 35 to 50, Chartered Accountants, must have had at least seven years experience in a senior international financial appointment, and a distinct ability to communicate and liaise effectively with all levels of international management. A commitment to approximately 30% travel in W. Europe is required, and a reasonable knowledge of the German language is essential.

In addition to salary, benefits will include a bonus related to profits and personal input.

Applicants should write enclosing a full CV including details of current salary and quoting reference MCS/3017 to: Janet Stockton Executive Selection Division Price Waterhouse Management Consultants No. 1, London Bridge London SE1 9QL

Price Waterhouse

Group Financial Director

London W1 Salary to £35,000 + car

This is an exciting opportunity for an entrepreneurial accountant to join a small, very successful company in its early stages of development. Our client, a well respected and award winning Design Company, has undergone dramatic growth since its recent inception. Founded in 1983, the company has established itself as one of the market leaders in graphic design, specialising in packaging and corporate identity, and maintains an impressive portfolio of blue chip clients. They have subsequently identified the need for a Group Financial Director to lead them into the 1990s.

Reporting to the Managing Director this will be a "hands-on" role involving responsibility for all accounting, legal and administration functions as well as being an active and contributory participant with regards future business growth and development including potential acquisitions.

Candidates should be qualified Accountants, aged between 28-32. They will be ambitious with a developed sense of commercial awareness, combined with the ability to fit into a fast moving and creative environment. The candidate should demonstrate the commitment necessary to implement an ambitious growth programme over the next five years.

Interested candidates, who meet this criteria should send a detailed curriculum vitae including current salary and daytime telephone number to Carol Jardine, quoting reference LM418 to Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.

SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

DYNAMIC YOUNG FINANCIAL CONTROLLER

Birmingham To £25,000 plus Car

Are you frustrated by being forced to do routine accounts work when you feel ready for a more commercial role? How long will it be before you can command respect for your all round business knowledge? If you are dissatisfied with your present role perhaps this is the opportunity for you.

Our Client is a rapidly expanding supplier and manufacturer of high-tech equipment with a turnover approaching £3m. The Managing Director is looking for a qualified Accountant who will help him to run the business, setting up financial and administrative systems to enable further development into its well-established markets. The company is securely based and financed and has ambitious plans to move to larger purpose-built accommodation in the near future.

Your demanding role would underpin this growth, giving you a substantial salary, executive car and other benefits. In return you must have hands on experience of micro computers and spreadsheets, with knowledge of a range of software. Prospects for appointment to Finance Director are excellent for candidates with a genuine entrepreneurial approach, strong determination and a sense of humour.

In the first instance you should write to Trevor Dawes, BIS Executive Resourcing, Ringway House, 45 Bull Street, Colmore Circus, Birmingham B4 6AF quoting Reference KG229 or telephone him on 021-236 1687.

BIS Executive Resourcing
Search · Selection · Advertising
FINANCE · INFORMATION TECHNOLOGY · HUMAN RESOURCES · MARKETING

FD DESIGNATE

Established less than 10 years ago and already occupying a prominent position in the computer peripherals market, our Client turns over £15m. Growth prospects are outstanding, with new product areas becoming available, potential acquisition targets being examined and existing profit levels extremely high.

Reporting to the Managing Director and supervising a finance team of 5, the role will encompass year-end reporting and regular management accounts, forecasting, planning and budgeting in addition to systems review and development. Additionally, investigation of potential acquisition targets and tightening of existing controls will be required. Prospects are excellent with the probability of a Directorship within 18 months.

Candidates should be qualified Accountants aged 27-34. Emphasis will be placed upon commercial awareness and a successful track record to date in a management role.

Please apply directly to Richard Carter at Robert Half, Prepost, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 01-836 3545, evenings 0344 865911. Alternatively fax your details on 01-836 4942.

Financial Recruitment Specialists
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APPOINTMENTS ADVERTISING

Appears every Wednesday and Thursday

For further information call 01-248 8000

Deirdre McCarthy ext 4177
Paul Maraviglia ext 4676
Elizabeth Rowan ext 3456
Patrick Williams ext 3694
Candida Raymond ext 3351
Patrick Sheriff ext 4627

Financial Controller

LANCASHIRE c£30,000 PACKAGE + CAR

This household name in consumer durable goods has a worldwide turnover of \$80m. The UK manufacturing company is about to commence the implementation of a manufacturing strategy that is geared to retaining its current presence throughout the nineties. In addition, considerable management and organisational change has taken place and the process is continuing across all business activities.

The traditional role of the finance department is not appropriate to the new needs of the organisation. As Financial Controller, you will be responsible to the Financial Director for transforming the financial accounting team into a key business unit. Whilst the production of monthly and statutory accounts remains an important task, the overriding priority is to identify the information required to manage the reshaped business and to implement the appropriate systems and procedures to ensure its timely production. The content of plans, budgets and forecasts similarly needs to reflect the changing priorities.

This demanding role will suit an ambitious, active and strong-minded accountant who enjoys the challenge of implementing change. You can likely to be in your early 30s and will already have held a responsible position in manufacturing industry. The job offers a high performer outstanding prospects for career development.

Please write, which include a daytime telephone number and an indication of present salary, to Peter Jones, Cooper & Lybrand Executive Resourcing Limited, Abacus Court, 6 Whitnall Street, Manchester, M1 3ED, quoting ref P70.

Executive Resourcing **Coopers & Lybrand**

Financial Controller

£25,000-£30,000 + Car
South Herts.

Our client is a rapidly expanding group of companies which manufactures, distributes and retails high quality domestic audio equipment. The products it manufactures are exported world-wide and the group is the sole UK distributor for several Japanese manufacturers of premium hi-fi equipment. With a current turnover of about £3m, the group has ambitious plans for expansion, both organically and by acquisition.

This growth has led to the creation of the position of Financial Controller. Reporting to the Finance Director, the role will involve close liaison with the Managing Director and other members of the group management team. Specific responsibilities will include the review and upgrading of the computer systems and the management of funding, including foreign exchange. The Financial Controller will supervise the production of management

information and take responsibility for a variety of general business areas. A small accounts team reports to this position.

The ideal candidate will be a qualified accountant with demonstrable expertise in computer systems evaluation and development. A minimum of two years' post-qualification experience in commerce is essential. Excellent interpersonal skills coupled with a commercial, flexible and creative approach would be required to carry out this role effectively. Prospects of developing this position as the group grows are outstanding and, for the right candidate, a board appointment may be available in due course.

Please write in confidence, enclosing full career details to Sean Connolly, quoting reference SHA 1273.



Stoy Hayward Associates

MANAGEMENT CONSULTANTS, EXECUTIVE SELECTION DIVISION, 8 BAKER STREET, LONDON W1M 1DA
FAX No: 01-487 3686
A member of Horwath & Horwath

Assistant Tax Manager

£30,000 + car

Pearson plc is the UK quoted holding company of a worldwide group whose principal business sectors are information and entertainment, investment banking, oil services and fine china. The group has an impressive profit record and is committed to continued growth.

The Assistant Tax Manager will join a small professional team based in the London headquarters. With an initial emphasis on group relief and other UK planning issues, he or she will be expected to progress rapidly. There will be the opportunity to participate in a range of complex projects, which may have both UK and international implications. The Assistant Tax Manager will have considerable exposure to senior management within the headquarters and at the operating companies.

Probably in their late 20s, applicants, preferably qualified accountants, must have relevant tax experience gained in the profession, commerce or Inland Revenue.

Please write, quoting reference H/816/CF and enclosing a career/salary history and daytime telephone number, to:

David Hogg FCA
Lloyd Management
125 High Holborn
London WC1V 6QA



PEARSON

ACQUISITIONS MANAGER

Package c.£35,000 + car

East Midlands

This substantial public group commands respect in the City for its performance, professionalism and corporate strategy. It has already commenced a series of strategic acquisitions in its consumer goods markets and is investigating further development opportunities in the UK and internationally.

Such a commitment to growth by acquisition necessitates the appointment of a second dedicated acquisitions specialist. You will be involved in the full process; identifying target companies, negotiating deals and playing a full part in their integration into the group.

The person appointed is likely to be an ambitious qualified graduate accountant aged around 30. Candidates should have a

track-record of increasing responsibility gained in a large organisation with exposure to acquisitions, as an advisor or principal. Commercial judgement, good interpersonal skills and commitment to the company's and your own success will ensure access to the excellent career development opportunities the group can offer.

Please reply in confidence, giving concise career, personal and salary details to Heather Male, quoting Ref. L400.

Egor Executive Selection
58 St. James's Street
London SW1A 1LD (01-629 6970)

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Blue Chip City opening for a...

RECENTLY QUALIFIED ACA

£25,000 + bank benefits

This is an excellent opportunity for an ambitious young Chartered Accountant to make a first move into the challenging and fast moving environment of a major blue chip Securities House.

Our client, the subsidiary of an internationally prestigious investment banking group, is currently restructuring its London operations and introducing sophisticated new systems to enhance its financial control and reporting function.

The opportunity has now therefore arisen for a newly or recently qualified ACA to take up a new role within the young and dynamic financial reporting team. It will involve production of regular financial and regulatory reports for the group's trading companies, liaison with operational management and exposure to regulatory bodies such as TSA and the Bank of England.

You should be a graduate aged up to about 27 who has trained in a leading firm and ideally had some

experience of the investment banking and securities industries.

The role will appeal to energetic positive individuals who are flexible, highly intelligent and able to think for themselves. It will provide not only a strong grounding of experience in the financial services sector but also opportunities for rapid progress and increased responsibility within the group.

In addition to a competitive salary, the position carries with it a subsidised mortgage, non-contributory pension scheme and other large company benefits.

Please telephone or write in confidence, giving concise career, personal and salary details to Paul Carrosso, quoting Ref. L402.

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London SW1A 1LD (01-629 6970)

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SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain

Exciting Prospects in Europe FINANCIAL CONTROLLER

North West c£25K, bonus, car

Our client is a major world force in the supply of processing plant to a wide variety of industries. With an impressive and continuing record of growth, organically and by acquisition, this is a new appointment as Financial Controller for the UK operations.

Working closely with the directors you will play a key role in all aspects of the business as well as managing the finance function and ensuring the provision of accounting, costing,

project and management control information.

Candidates must be qualified accountants, proactive and flexible, with experience in a senior post in an industrial environment and conversant with US reporting procedures. This is a challenging role with exciting prospects of promotion in Europe.

Please write in confidence to Peter Evans, ref: 895.



Peat Marwick McLintock

Executive Selection and Search
7 Tib Lane, Manchester M2 6DS

Management Opportunities In Finance and Planning

Shell International Marine, a part of the Royal Dutch/Shell Group, is one of the largest tanker owners and operators in the world. The shipping industry is undergoing major changes which present interesting and challenging decisions to senior management responsible for the conduct of the business. The prospects for the industry and Shell in particular are excellent.

Group and Industry Analysis

Marine Planning is key to our medium and long-term management strategy. That's why we've installed some of the most advanced analytical models in the business, to help us identify and develop world-wide market issues. As a computer-literate graduate with keen analytical skills your contribution will be highly influential. Shipping industry experience is desirable but not essential. Ref: G/A.

Accounts Management

To monitor the expenses and payments arising from our global operation we're currently introducing a state-of-the-art accounting and management information system. Reporting to the Finance and Treasury Controller, you'll assume a high profile position, leading a team of experienced professionals. As such, you'll need to be a qualified accountant or graduate with a wealth of suitable experience. Ref: A/A.

Both positions will require qualities of leadership and breadth of vision that are likely to have been gained within the Finance or Corporate Planning Department of a major league company.

Remuneration will be very competitive and conditions of employment, which include a wide range of sports and social facilities, are excellent.

Please write or telephone for an application form, quoting the appropriate reference number, to: Miss L. E. Knight, HRD/33, Shell International Petroleum Co. Ltd., Shell Centre, London SE1 7NA. Telephone: 01-934 4021. Closing date for receipt of applications 23rd March 1989.



Royal Dutch/Shell Group

FINANCIAL CONTROLLER

West End

to £35,000 + Car

A prestigious leisure group is seeking a qualified accountant, ideally aged 29-33, to undertake responsibility for the entire finance function involving staff supervision, systems development and the provision of management information. Ref: SEW7249

MANAGEMENT ACCOUNTANT

City

£33,000 + Bank Benefits

Leading UK investment House seeks a qualified accountant, aged 26-35, with experience of the securities industry, to assist in the provision of management information for senior operations staff. Ref: HKM6332

HEAD OF INTERNAL AUDIT

Croydon

£30,000 + Car + Bank Benefits

A high profile role exists for an experienced accountant, aged 30-40, within a leading UK Financial Services group to co-ordinate and plan the activities of the internal audit department. Ref: SEW8846

FINANCIAL DIRECTOR (DESIGNATE)

East London

£30,000 + Benefits

Growth through acquisition and market penetration has created this demanding number one role in an exciting multinational trading group. Ideally aged 29-35, commercial acumen and flair are essential. Ref: JFE8276

SENIOR ACCOUNTANT

City

£28,000 + Bank Benefits

Subsidiary of a major US commercial bank offers qualified accountant, ideally aged 27-33, an excellent opportunity to develop the accounting systems, to ensure the accuracy of management information and to manage a small team. Ref: SM16633

FINANCE MANAGER

S.W. Essex

£25,000 + Car

Ideal role for recently qualified accountant (ACCA/CIMA) to take the reins for the first time. Leading the market this manufacturing concern offers total involvement and high level liaison throughout the group. Ref: JFE8633

To apply for these or other similar opportunities in London or South Essex please write to or telephone

MANAGEMENT PERSONNEL
25 City Road
London EC1Y 1AA
☎ 01 256 5041

MANAGEMENT PERSONNEL
2 Swallow Place, London W1R 7AA
☎ 01 408 1694

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Treasurers

London

£40,000 + Car

Major firm of Accountants seeks graduate calibre candidates with corporate treasury or banking experience to join their corporate finance management consultancy division.

London

£35,000 + Bonus + Car

An International Treasurer with good analytical skills, ability to evaluate complex financial structures and determining the funding arrangements for the Group's overseas operations.

Midlands

£35,000 + Car

New appointment to head up the treasury function for this International Group. Candidates should have broad treasury experience and be self starters.

Surrey

£25,000 + Bonus + Car

Multinational Group seeks an Assistant Treasurer covering foreign exchange matters, cash management and advising subsidiary companies. Age indicator 26-30.

West of London

£24,000

Household name UK plc seeks dealer to join a well established treasury function. Previous dealing experience within a bank or treasury function is essential.

Please telephone or write enclosing full curriculum vitae quoting ref 314 to: Nigel Hopkins FCA, 97 Jermyn Street, London SW1Y 6JE Tel: 01-839 4572 Fax: 01-925 2336

Cartwright Hopkins

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Elizabeth Rowan ext 3456

Patrick Williams ext 3694

Candida Raymond ext 3351

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Financial Director

Camberley, Surrey



£50,000+ substantial benefits

Carson & Company is a leading independent practice, specialising in a range of property services. A dynamic and entrepreneurial group, they have built an enviable reputation for high quality and innovation. They place considerable emphasis on the culture of their staff, and the personal service which is offered to clients.

demanding environment. Experience may have been gained within the financial services or retailing sectors. You must have the drive and personality to make a positive impact in this proactive role.

As a new member of the Board, you will make a significant contribution to the control and further development of the business. Working closely with the Chairman and Managing Director, you will operate at the highest level, providing financial input for strategic decisions, reviewing and controlling the finance function and helping the group to meet its long-term objectives.

The excellent remuneration package includes performance related bonus and possible share option scheme. Sufficient flexibility exists to reward the outstanding candidate.

Please send full personal and career details in confidence to Alison Hawley quoting reference 5206/FT on both envelope and letter.

You will be a Chartered Accountant in your late twenties or thirties with impressive financial skills and a successful track record within a

Deloitte Haskins + Sells

Management Consultancy Division

P.O. Box 186, Hillgate House, 26 Old Bailey, London EC4M 7PL

GROUP FINANCIAL CONTROLLER/DIRECTOR DESIGNATE

£25 - 30,000 pa + car + benefits

Age 35 - 50

With the Head Office based close to the Junction of the M3 and M25 and two manufacturing and storage facilities in the North of England, my client has through engineering quality and innovation, successfully established itself as a market leading stockist and manufacturer of pipeline equipment for the oil and gas industries.

Sustained growth of the groups subsidiary companies necessitates the appointment of a Senior Financial Manager to take control and develop the computerised accounting and management information systems.

Professionally qualified candidates must possess the personality and experience necessary to integrate within a dynamic and demanding "hands on" management team. Key to success is the strength of character required to operate effectively at board level, contributing to the groups development and acquisition strategy and taking responsibility for the general accountancy function which includes, sales and stock accounting, payroll and pensions, credit control, preparing end of year accounts, providing management information, advising upon corporate taxation policies and investment planning, as well as negotiating with major financial institutions.

If you are seeking a rewarding, interesting and challenging career opportunity with a respected expanding company, contact JOHN TAYLOR, CONFIDENTIALLY, for an initial discussion, further information or an application form. Should you prefer to forward your own CV please include a daytime telephone number and your current salary.

QUEST RECRUITMENT CONSULTANCY
WENRISC HOUSE, 4 MEADOW COURT
HIGH STREET, WITNEY
OXFORD, OX8 6LP

Telephone No: 0993 776691 (24 hour answer service)
Fax: 0993 702042

SETTING PROFESSIONAL STANDARDS FOR RECRUITMENT

A PRODUCT YOU CAN RELATE TO A BUSINESS ENVIRONMENT YOU CAN CONTRIBUTE TO

A recent reorganisation has created two key opportunities within this consumer product and service orientated client. The company is part of a large multinational plc, which has recently enjoyed high profile coverage due to its impressive acquisition activity and overall growth and development. With this successful progress very much in mind the client is now seeking to recruit:

Financial Planning & Analysis Director

package \$35-40,000 pa plus car
Responsible for Strategic and Corporate Reporting as well as day-to-day monitoring of business activities, the main thrust of this role revolves around the Operational Analysis of 1000+ profit centres throughout the country. This will involve:

- Good interpretation and analysis of key business issues at operating and corporate levels.
- A "hands-on" approach and a real perspective of operational needs supported by a level of maturity and "street-wisdom".
- Immediate impact and an ability to influence (particularly non-financial personnel at all levels).
- Good leadership qualities (the achievement of key objectives will in certain cases be achieved through the motivation of professional staff).
- Strong communication and interpersonal skills.
- An achievement record which will not only include promotions with previous employers, but will evidence an ability to positively change, and ideally impact on bottom-line profitability.

Additionally the role should be "their apparent" to the Commercial Director and must demonstrate promotion potential within 12 months. You are likely to be aged 29-33 years.

Both positions will be based on the Middlesex/West London borders, but will involve limited travel throughout the UK.

If you are interested in either (or both) positions please telephone Karen Wilson BA ACMA on 01-491 3431 (0895 633429 weekends/evenings) or write to her at FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and a note of current salary.

Finance Operations Manager

up to \$30,000 pa plus car
Reporting to the Financial Planning and Analysis Director you will potentially be eligible for promotion to that role on the 12 months time horizon. There is also a functional responsibility to the Regional Operations Director.

The initial objective of the role is to ensure that the necessary financial management and commercial processes, controls and disciplines exist to support the achievement of regional business objectives.

Specific responsibilities will include:

- Provision of management information to improve line management's financial awareness and to assist in key decision-making.
- Recommendation of actions to maximise profits.
- Identification and quantification of operational risks and opportunities.
- Training and development of an efficient financial analysis team.

A qualified Accountant of likely age 25-28 years, you must be able to demonstrate an ability to relate to Operational Management.

FMS

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Financial Management

PRODUCT AND FINANCIAL PLANNING

£30K plus car & benefits

A major financial services organisation is planning to launch an exciting personal financial planning service in the UK. Sophisticated marketing and computer systems support will play an integral part in the design and development of the service, and in supporting the financial planners in their approach to providing personal needs-based solutions.

new product and market opportunities, and co-ordinate these initiatives between the sales organisation and the systems support team.

Ideally, the successful candidate should possess a degree or equivalent qualification, will have extensive knowledge of the personal pension, life, investment and banking markets, and have good communication and team management skills. Creative thinking, marketing flair, and an understanding of computer applications are essential.

An attractive salary and benefits package is offered, plus excellent opportunities for career progression.

If you are interested please contact Diane Bright on 01-830 5161, or write to her at the address below quoting Ref. CD/888.

THE LLOYD GROUP

ALHAMBRA HOUSE, 27-31 CHARING CROSS ROAD, LONDON WC2H 0AU FACSIMILE 01-825 2220 TELEPHONE 01-830 5161

GROUP FINANCE MANAGER

Central London

c.£38K + Bonus + Car + Share Options

Our client, an expanding and successful international group, currently seeks to recruit an individual to play a key role in the management and development of the group finance function.

Reporting to the Group Finance Director and heading up a young motivated team, responsibilities will include:

- Deputising for the Group Finance Director during his frequent overseas absences
- Managing and controlling relationships with Banks, Auditors, Tax Advisers etc
- Liaising with Controllers and Finance Directors throughout the Group to ensure an efficient flow of information
- Providing a group treasury service managing and reporting on cash flows, borrowings, foreign currency and interest rate exposure
- Supervising the consolidation and production of statutory

reports and accounts, monthly and quarterly management reports and forecasts, budgets and plans

• Analysing information for the Group Board and Shareholders

You will be a qualified accountant, likely to be aged 30-40 years old, with good communication and motivation skills, with the flexibility to be able to respond to the wide variety of pressures involved in a rapid growth environment. You should possess experience of both statutory and management reporting and treasury management.

Although suitable applicants are likely to be currently working in commerce or industry, exceptional individuals at Manager level within a major accounting firm will be given serious consideration.

Interested individuals should write enclosing a current CV together with salary details, to Shirley Knight BA, ACMA, MBA at FMS, 14 Cork Street, London W1X 1PF.

FMS

Search and Selection Specialists
for
Financial Management

MANAGEMENT CONSULTANCY

KPMG - the largest firm of accountants and consultants in the world - is expanding its financial management consulting operations in the London Region, the Midlands and the North.

We need further outstanding and ambitious people to join us. In our London Region we need people to be based in London, Reading or Milton Keynes. We also need people to be based in Birmingham, Yorkshire and the North East. The profile is straightforward - we are looking for the best graduate accountants in their mid 20's to mid 30's, from manufacturing industries, service industries and consultancy.

Finance Managers and Financial Controllers

We are world leaders in financial management techniques and offer a wide range of interesting and constructive work from within a structure which we believe to be unique in the consultancy business. This structure enables us to offer variety and flexibility to the individual and leading edge industry focus to our clients.

Working in an expanding group, exposure to the latest developments in financial management and IT, and the experience of operating at senior management and board level, can provide the basis for very rapid career development.

If you would be interested in talking with us about opportunities in consultancy please send a brief c.v. to Karen Church quoting reference FM/M89/FT to KPMG Peat Marwick McLintock, P.O. Box 486, 1 Puddle Dock, Blackfriars, London, EC4V 3PD.

KPMG Peat Marwick McLintock

IV

Newly Qualified Accountant

Corporate Planning in Global Communications

London EC2

£23,000 + Car + Share option

With a global communications network and a dynamic approach to corporate expansion, our client leads the world in integrated information services.

A challenging vacancy exists for a newly qualified accountant to join a young team working within the Corporate Planning department. Reporting directly to senior management in the UK and US, you'll be closely involved in mergers and acquisitions, undertaking ad hoc analysis and project work of 2-3 months' duration. Additional areas of responsibility include group budget

plans, capital expenditure and management accounting.

Much depends on your ability to excel in a team environment. If you have the potential, career prospects are almost unlimited within this large and diverse international group. Rewards are also excellent, with a wide range of benefits including 6 weeks holiday and BUPA.

Those who think, think Mervyn Dinnen



MERVYN DINNEN ASSOCIATES

46 MOORGATE, LONDON EC2R 6EL TEL: 01-688 1711

For further details, please telephone Maxine Lester on 01-688 1711 or write to her enclosing full career details.

LONDON

CRAWLEY

KINGSWAY

GROUP FINANCE DIRECTOR

Technical excellence * Commercial * Strategist

London/Herts £45-50,000 + incentives and benefits

Kingsway Industrial Services Group is the main vehicle within the recently formed Kingsway Holdings plc. The Chief Executive seeks a Manager with a proven track record to take complete financial responsibility for the two companies presently in the Group. The appointee must be not only an excellent accountant, with a successful career to date, ideally in a distribution business, but a businessman capable of growing with the Group. He/she will have to:

- Manage corporate, financial and systems restructuring.
- Plan for earnings increases of 20% per annum.
- Ensure the adequacy and accuracy of all financial information.

- Have the ability to work closely with the Chief Executive and in the medium term take on the senior corporate finance role within the holding company.

This position represents an unusual opportunity of joining a £20m organisation and being a genuinely key member in driving it forward to obtain fast growth and high returns. Only candidates who are confident of their leadership, technical and business skills should apply.

If you are interested in the position and have a suitable track record, please send full career details to James Forte, quoting reference K3735.

KPMG Peat Marwick McLintock

Executive Selection and Search
70 Fleet Street, London EC4Y 1EU

FINANCIAL CONTROLLER

Based at Heathrow Airport
c.£25,000 + CAR

A well established cargo business, with a current turnover in excess of £3m from operations at Heathrow and Gatwick Airports, requires a Financial Controller. The successful applicant, who must be a qualified Chartered Accountant, will be responsible to the Managing Director for all aspects of financial control and accounting of a business which is expected to expand significantly in the near future.

Those interested in this exciting opportunity should apply by writing with an up-to-date C.V. to Box Number A1164, Financial Times, 10 Cannon Street, London EC4P 4BX

CAREER FINANCE OPPORTUNITIES WITH A NEW NATIONAL AUTHORITY

Subject to enactment of the Water Bill currently before Parliament, a National Rivers Authority will be established in Autumn 1989. It will be responsible for the overall management of rivers, water resources, coastal water and associated regulatory aspects in England and Wales. With a small central policy unit, the vast majority of its employees will be based in the Regional Operational units.

The Authority's capital and revenue expenditure of circa £100m and £200m p.a. respectively will demand highly professional and efficient management of its financial resources in meeting the objectives of improvement and development of the environment. Career opportunities exist for experienced and professionally qualified accountants to assist the Director of Finance in the formulation and implementation of finance policies and associated financial controls.

CHIEF FINANCIAL MANAGER	to £36,000
PRINCIPAL FINANCIAL ACCOUNTANT	to £25,000
AUDIT MANAGER	to £28,000
PRINCIPAL MANAGEMENT ACCOUNTANT	to £25,000

System creation, charging policies, financial control, value for money investigations and cash management will all be key aspects of the role of these posts. The department will share the corporate responsibility for the recommendation of policies designed to meet the Authority's objectives and responsibilities in respect of flood protection, water pollution control and the effective utilisation of the water space available.

Conditions of service will generally be those appropriate to a non-departmental public body, including the option of membership of the Local Government Superannuation Scheme. Assistance will be given with relocation where appropriate.

These are exciting and challenging opportunities in a dynamic new organisation. Send your CV and we shall send an information pack. Alternatively telephone for a pack and application form from David Burloe, Austin Knight Selection, Kings House, Bond Street, Bristol BS1 3AE Telephone (0272) 221891 (daytime) or (0272) 686185 (evenings/weekends). Closing date: 23rd March 1989.

NATIONAL RIVERS AUTHORITY

Senior Accountants with Occidental

London Based

c. £25,000

Occidental Petroleum (Oxy) is a major US based energy corporation employing some 51,000 people worldwide and with an annual revenue of 19 billion dollars. Internal promotion, reorganisation and the introduction of a new and advanced IBM based general ledger system have created vacancies in the following key areas.

Project Accounting

The main thrust of this position will be to analyse existing and new accounting practices in order to optimise the use of the new accounting system and ensure the highest possible accounting standards are maintained. Working in close liaison with finance management this position will also undertake project assignments and ad hoc reviews covering all areas of OXY's UK accounting activities.

Candidates must be proven communicators who are able to maintain a clear overview of objectives within a busy highly computerised environment. Formal qualifications should be supported by relevant experience, a mature outlook and the ability to lead by personal example.

General Accounting

This wide ranging role covering the monitoring of accounting and commercial activities within OXY's European trading and treasury companies, provides an unrivalled opportunity to become involved in a high activity role with international exposure. A significant volume of complex transactions are involved which require constant

monitoring in order to ensure accuracy of accounting data.

Candidates will prepare consolidated financial accounts on both a US and UK basis and must have the temperament to cope with tight deadlines. A formal qualification is essential, supported by experience of the latest computerised accounting techniques, spreadsheets etc.

Oil & Gas Accounting

You will provide accurate and meaningful financial and management information relating to the commercial activities of the UK North Sea group of Companies. As a key member of a small group of professional accountants, this will involve the production of monthly and annual reports and records to strict deadlines. This is a highly visible position in OXY's core business and requires a formal qualification and broad accounting experience, ideally gained in a relevant industry.

All positions offer salaries in the region of £25,000 and will involve limited travel within the UK. The normal benefits apply and there are definite opportunities to substantially broaden your career horizons within an expanding and progressive organisation.

Please send full career details to:

CLYDE SORRELL,
EMPLOYEE RELATIONS DEPT.,
OCCIDENTAL INTERNATIONAL
OIL INC.,
16 PALACE STREET, LONDON
SW1E 5BQ.



Group Finance Director (Designate)

North West

circa £50,000 + car

This is an exceptional opportunity for a 'High Flyer' whose initial impact and contribution will be as Group Financial Controller but with planned promotion within 12-18 months to Director level. Our client is a fast growing, highly acquisitive and successful organisation, with a 1989 planned turnover of £100M through a diverse range of manufacturing, distribution and retailing activities in a number of market sectors.

Specific responsibilities will cover the provision, analysis and interpretation of financial and management information and the introduction and development of sophisticated systems throughout the group. Most significantly the appointee will make a strong and professional contribution to the senior Management team to facilitate the organisation's ambitious growth plans.

Obviously our client is looking for an exceptional individual with an appetite for challenge. A graduate and qualified accountant, the successful candidate will be someone with commercial flair and incisive business judgement. Coming from a senior financial position within industry or of partnership calibre in the Profession, the highest technical competence must be supplemented by strong managerial and interpersonal skills and an ability to sustain an exceptionally high work rate within this dynamic and fast moving pressurised environment. The initial salary quoted, plus a highly attractive rewards package, will be significantly enhanced upon confirmation of board appointment.

Interested applicants (male or female) should send a detailed CV or ring for an application form on 0625 533364 (24 hours) quoting reference 1477/RT.

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Legal

Appointments

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For Further Information Contact

01-248 8000

Elizabeth Rowan
Ext 3456

Wendy Alexander
Ext 3526

FINANCIAL MANAGEMENT

Meridian is one of the world's largest information technology service companies. The Group's activities centre on the provision of a range of computer leasing and data processing support services to more than 5,000 national and international companies, throughout Europe and beyond. With sales exceeding £1 billion a year we employ nearly 2,000 professionals working in 60 locations.

GROUP CHIEF ACCOUNTANT

In such a complex international environment the role of the Group Chief Accountant is key. Accuracy, reliability, reporting and consolidation is essential in ensuring the smooth running of the business.

We require a high calibre financial manager who has had responsibility for Financial Accounts and has worked in a fast-moving international organisation, to take charge of the Group's financial reporting and consolidation functions.

INTERNATIONAL GROUP FINANCIAL CONTROLLER

The International Group Financial Controller is responsible for the development and implementation of financial reporting systems throughout the Group. The role also covers responsibility for the Group's financial reporting and consolidation functions. Other functions are: supervising the Group's financial reporting and consolidation functions; managing new financial reporting systems; and ensuring the Group's financial reporting and consolidation functions are up to date and accurate.

Both positions require a high calibre financial manager who is capable of leading a team of professionals and is able to manage the complexity and importance of the positions.

To apply for these positions please send CV to:
Brian Ashcroft, Director Human Resources,
Meridian Group Services Limited, Wentworth House, Station Parade,
Virginia Water, Surrey GU25 4BD.
Or telephone Ascot (0990) 23344 for further information.

MERIDIAN

Managing Successful Change . . . Financial Controller

London to £40,000 + Executive Benefits

We have been retained by a pre-eminent consumer led International Plc which has a clear objective of worldwide leadership throughout its global operations.

Continued growth and success has created an exciting opportunity for a Financial Controller. Reporting to the Financial Director the key responsibilities will be to—

- Restructure the finance division.
- Enhance the effectiveness of financial control.
- Manage a significant finance team.

The position is seen as an entry point to a prestigious organisation. You will be a graduate qualified accountant, probably chartered, aged between 28 and 35, and must have significant staff management experience gained in a large 'blue chip' environment. A results orientated approach, technical excellence and a high level of ambition are all essential requirements.

The package will include a bonus, company car and executive benefits. A relocation package is also offered.

If you are interested in a fast moving environment then please write to Jon Anderson ACMA, Executive Division, enclosing a comprehensive curriculum vitae and daytime telephone number at Michael Page Finance, 39-41 Parker St., London WC2B 5LH quoting ref M115. Complete confidentiality is assured.



Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

High Growth Opportunity – Commercial Strategic Role European Financial Controller

South Middlesex To £40,000 + Substantial Bonus + F/E Car

Our client, a major division of a £100m turnover plc, is a European group of companies providing high tech industrial services to a wide client base through subsidiaries in eight countries, and it is the outstanding market leader in its field.

The subsidiaries operate autonomously, however, there is a need to evolve into a more clearly identifiable co-ordinated pan-European group with a corporate image to match.

With plans in hand to more than double in the next three years both organically and via acquisitions, together with the evolution into 1992 and beyond, the group has identified the need to strengthen its management team with the appointment of a European Financial Controller.

Reporting to the Chief Executive (a plc main board director) you will have a wide ranging role covering the full spectrum of both financial and commercial activities from the basics to the esoteric. You will be as skilled at achieving through others, and at negotiating with banks and for acquisitions, as you are at tackling "hands on" pc based modelling, analysis and forecasting.

You will have responsibility for ensuring that the financial and reporting systems are developed along common lines with the flexibility to absorb the anticipated growth. Prime importance will be attached to their accuracy, timeliness and usefulness as a constructive management tool.

To succeed in this demanding and rewarding role you will be a qualified accountant probably aged 33-40 with several years' experience in high growth multi-site service industries including European exposure. You will be used to a lean, independent, yet team orientated management style with the presence, maturity and strong diplomatic skills required to make a major impact on a group of entrepreneurial subsidiary MD's. Excellent communication skills, a high level of commercial awareness and the ability to relate to a strong marketing environment will be key attributes. Regular operational contact will require considerable travel.

We are looking for a rare breed of individual – but we equally have a rare role to offer and to challenge you.

If this appeals to you please submit your CV in application to Wayne Thomas, Executive Division, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6SW.



Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
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DIVISIONAL FINANCE DIRECTOR

Surrey £30,000 + Car + Bonus + Share Options

Our clients are a public industrial holding group engaged in a wide range of manufacturing and engineering activities. In addition to organic growth the group actively pursues a policy of acquisition of niche manufacturing businesses which are integrated and operated within a proven financially controlled arena.

Business performance of each division is closely monitored by a small team led by a Chief Executive. Reporting to the Chief Executive you will be responsible for the financial monitoring and commercial support of a group of companies, all of whom are well known in their own fields of activity.

This is an exciting opportunity to join a growing group in its formative stage and share in the experience provided by the significant growth plans. Candidates aged 30-35 will be qualified, proactive and commercially experienced, preferably in the engineering/manufacturing sector. The nature of this high profile role is such that some travel will be involved.

Please telephone Robin Rotherham on 01-541 5580 or write enclosing curriculum vitae and quoting reference no. 6653 to the address below.

Accountancy OPTIONS

6-8 Thames Street, Kingston-upon-Thames, Surrey KT1 1PE.

Financial Controller

North London package to £35,000 + car

Recent internal promotion at UDT Sales Finance – one of Britain's major finance houses and a member of the TSB Group – has provided this excellent opportunity for appointment to a senior financial post.

The company, whose prime activity is vehicle financing, is now poised for considerable expansion within its major markets but is aware of the need to maintain proper financial controls while at the same time providing appropriate succession planning within a dynamic, expanding environment. We therefore wish to recruit an experienced Financial Controller to be responsible for the management and control of financial and management accounting as well as the provision of effective management information and proper cost control.

Suitable candidates, ideally in their early 30's, will be graduates with an accounting qualification and, ideally, an MBA, supported by a proven record of achievement in a large company environment.

Experience of the development and implementation of accounting systems, procedures and controls would be an advantage. You should also be familiar with the analysis and presentation of management information using database technology on IBM Mainframe and PCs. You will be a highly committed individual with well-developed communication skills who is ambitious to take on a role which provides you with an opportunity to play a major part in the future strategy of a fast moving commercial organisation.

An attractive remuneration package is offered including non-contributory pension, mortgage subsidy, BUPA and Company car.

Please send a CV to Keith Pacey Controller, Personnel Operations, UDT Sales Finance, Holbrook House, 116 Cockfosters Road, Cockfosters, Barnet, Herts EN4 0DZ.

UDT Sales Finance

Group Financial Controller

circa £30,000 plus car
South West London

Part of a major international service group, our client is currently entering a new phase in its development. Intrinsic to this, is the recruitment of an experienced accountant to fill one of the key positions within the finance function.

Managing a small group accounting team, you will be responsible for the efficient function of the department and the production of timely and accurate management and financial information. In addition you will be required to help ensure the smooth changeover to a new computerised accounting system.

A chartered accountant, you will probably have at least three years post qualification experience ideally within a commercial environment, although candidates from within practice will be considered provided they have experience in a "hands on" accounting role. Mature and responsible, you will enjoy working autonomously and motivating your team to achieve high standards of performance.

Interested candidates should write, enclosing their curriculum vitae, quoting MCS/9013 to: Susan Ryder, Executive Selection Division, Price Waterhouse Management Consultants, No. 1 London Bridge, London SE1 9QL.

Price Waterhouse



FINANCIAL REPORTING MANAGER

Investment Banking c£35,000 + Car + Mortgage

Our client is the UK subsidiary of a major international banking group. Long established in the City of London and highly respected for its position at the forefront of the corporate finance and securities markets, it is currently undertaking a programme of reorganisation and planned expansion.

This high profile position has been newly created to strengthen the financial reporting function. Managing a team of nine staff you will be responsible, not only for producing within tight deadlines, regular financial and regulatory reports for the operating companies, but also for monitoring their capital adequacy and for ensuring the effectiveness of the management information produced.

Although sound technical abilities and an understanding of all regulatory requirements are important, we are looking for an individual who can lead and motivate a high calibre team, who can think creatively and who can develop new ideas and policies.

Candidates, ideally aged between 28 and 34 should be graduate Chartered Accountants with a successful record in a large practice and at least two years experience within the securities industry or a similar finance sector environment.

This challenging role carries with it an attractive salary, bank benefits, including subsidised mortgage, non-contributory pension scheme and company car, and, above all, prospects of real career progression in a fast moving and forward looking group.

Please telephone or write in confidence, giving concise career, personal and salary details to Paul Corvoso, quoting Ref. L403.

Egor Executive Selection
68 St. James's Street,
London SW1A 1LD (01-429 8070)

EGOR EXECUTIVE SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain

Divisional Finance Director

c£57,500 – car Northern Home Counties
M25 Corridor

Our client is a major distributor of pharmaceutical and healthcare related products. Trading from 11 autonomous operating units in the United Kingdom they now seek to appoint a high calibre individual to fill the newly created position of Divisional Finance Director.

Reporting to the Divisional Managing Director in close liaison with the Group Finance Director the appointee will take the lead role in maintaining and developing reporting systems, budgeting and forecasting and closely monitoring all commercial aspects of a fast moving consumer related business in order that tight controls over margins, profitability and cash flows are maintained. In addition to the above the Divisional Finance Director will play a leading role in the planned upgrade and development of computerised management information systems which will involve the installation of latest technology.

The position calls for an energetic, qualified Accountant with an acute sense of commercial awareness.

In the first instance please write enclosing full CV quoting reference LS 220 to Bob Townes, Director, Austin Knight Advertising UK Ltd, Tricorn House, 51-53 Hagley Road, Edgbaston, Birmingham B16 8TP.

Applications will be forwarded direct to our client therefore companies in which you are not interested, should be listed in a covering letter.

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..... Maximising Profitability Project Manager

London to £35,000 + Executive Benefits

We have been retained by a pre-eminent consumer led International Plc which has a clear objective of worldwide leadership throughout its global operations.

As a result of a recent major acquisition, the organisation is restructuring a key business area. Reporting to the Financial Director the Project Manager's first assignment will be to manage the relocation of the accounting department and associated financial systems, followed by the development of effective budgetary control. In addition the incumbent will be expected to spearhead the management of change in the newly restructured London office.

Following the successful completion of this project, which will be a major test of strength and ability, the successful candidate will move to an executive position to the group which will be based in the UK or abroad.

You will be a qualified accountant aged 28-35 with significant systems experience, strong man-management exposure, and excellent analytical and inter-personal skills. In your career to date you will be able to demonstrate a track record of managing change effectively and efficiently.

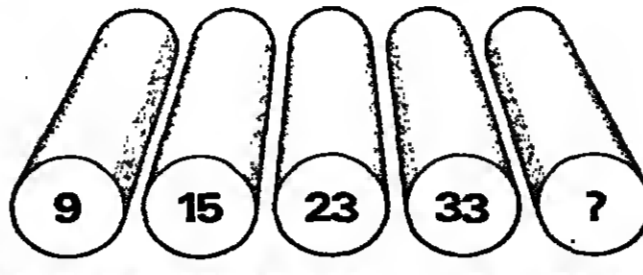
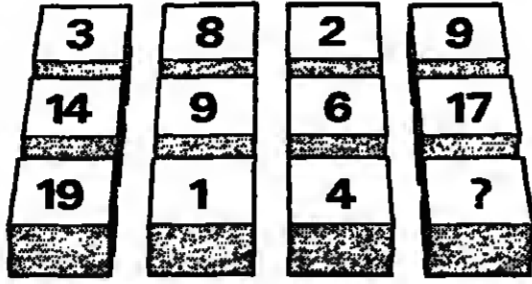
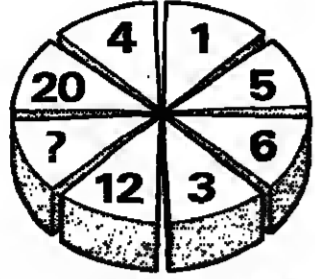
This is an opportunity for a highly ambitious talented individual who seeks a demanding challenging career within a commercial international environment. If you are interested in a fast moving environment then please write to Jon Anderson ACMA, Executive Division, enclosing a comprehensive curriculum vitae and daytime telephone number at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH quoting ref M116. Complete confidentiality is assured.



Michael Page Finance
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ACCOUNTANTS/ECONOMISTS/MBAs; to £40,000 + CAR

Work out what's missing and we'll fulfil your career.



Not for you the sneaky upside-down glance at the answers. Problem-solving is your forte, and these little number sequences won't keep you puzzled for long. Intuitive logic, blended with good old-fashioned flair, has helped you to rise swiftly towards the top of your chosen profession. And still you're only around 30 years of age. Now take stock. Are you really being stretched? Are the challenges beginning to fall into a predictable pattern? Will you have to move on to move up? In short, have you outgrown your present company? Are we right? Then the obvious step for you is to fulfil your career in the Management Consultancy business. Touche Ross have built one of the most dynamic and respected practices in the world. Teams of our Consultants are called in by private or public sector clients to conduct studies, analyse problems, recommend solutions, orchestrate projects and implement change in virtually every area of commerce and industry.

Our work environment is an intellectual engine-room as opposed to an ivory tower. People work together in small supportive teams and spark-off each other through the quality of ideas, analysis and criticism. You will need to convince us of your single-minded commitment to work excellence and of your ability to maintain consistent standards of success. A good first degree will also be looked for (and preferably an MBA or appropriate accounting qualification) plus several years proven business experience. The only thing missing now, is your cv. Kindly send it, in confidence, to: Michael Hurton, (Ref. 3016), Touche Ross Management Consultants, Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7351.

Touche Ross
Management Consultants

FINANCE DIRECTOR

Pringle of Scotland Limited is a major subsidiary of Dawson International PLC, one of the UK's leading textile groups. Pringle has an enviable reputation for its branded knitwear, employs over 1700 in several manufacturing locations and has a substantial international turnover.

Due to internal group promotion, a Finance Director of exceptional ability is now sought to take control of the company's financial, accounting, data processing and statutory functions.

Suitably qualified candidates will require experience in a multi-site environment, a knowledge of high volume production information systems and a good understanding of extensive data processing systems and international consumer trading.

This key role requires strong commercial flair, analytical ability, good communication skills and the tenacity and commitment to provide a significant contribution to the profitable development of the company.

The position is based in Hawick in the borders of Scotland and will involve some international travel.

It is unlikely that anyone younger than 32 will have the experience necessary to meet the demands of this position.

An attractive salary and benefits package is offered, together with generous relocation assistance.

Written Applications giving, initially brief relevant particulars, should be sent to:

Pringle
OF SCOTLAND
The Natural Name For Knitwear

Mr E. W. P. Mitchell
Personnel Director
Pringle of Scotland Limited
Victoria Mills
Hawick TD9 7AL

YOUNG CHARTERED ACCOUNTANT

Yorkshire base/
some UK travel

Age 24/30

£16-20,000
+ car + benefits

Our client, a £100m turnover P/c has recently announced record results with a near 50% increase in profits. Their impressive 5 year growth trend is attributable to their continued commitment to the enhancement of their manufacturing capabilities as well as a policy of strategic acquisitions. The Group's continued development has led to the creation of this new, high-profile position. Reporting to the Group Financial Controller, you will be responsible for reviewing and improving financial controls and reporting systems at the subsidiary companies. Much of the work is of a practical, problem-solving nature, dealing with profitability enhancement, and the development of accounting controls and systems. You will be involved in acquisitions, including initial investigations and the subsequent integration of new companies into the Group. In addition, you will deputise for the Group Financial Controller in the consolidation of group results/budgets, together with some involvement in group banking arrangements.

To succeed in this varied and demanding role, you will need to be commercially aware, possess good communication and analytical skills and the ability to 'think on your feet'. Opportunities for career progression exist within the Group.

If you have recently qualified and are looking to make your first steps out of the profession, please contact Jackie Hardisty, quoting ref no LD80



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ASB RECRUITMENT LTD A Division of ASB Bennett Kingston PA

Corporate Finance - M & A Challenge • Reward • Responsibility

Our client, a major international financial and industrial group, seek an energetic Corporate Finance Executive to join a small, professional team in Central London. If you have 3-5 years experience, preferably as a Corporate Finance Associate or similar position, this is an opportunity to work on interesting and innovative investment and acquisition projects.

The position involves assisting in the identification and analysis of larger scale corporate investment and restructuring opportunities, including mergers and acquisitions, mainly in the UK and in continental Europe. Our client operates as principal, rather

than agent, across a wide range of industrial and commercial sectors. The successful candidate will have a background in capital markets, financial analysis and corporate financial techniques, either in Merchant/Investment Banking or Accountancy. International experience and/or tax knowledge would be an advantage. The rewards are high and you will have the opportunity to participate in their profit-share scheme.

Reply, in confidence, enclosing full CV and daytime telephone number, to Lorraine Lee, MHG Recruitment Advertising, 50 Berwick Street, London W1V 3RA.



Newly Qualified ACA's

Package circa £32K - City

An opening has arisen with a top investment management group, which offers an excellent career move for a young newly/recently qualified chartered accountant, to acquire valuable and wide ranging financial services industry experience, including compliance and internal audit.

Candidates must have a keen intellect, self-confidence, initiative and ambition for progress.

The package includes an excellent salary, car and discretionary bonus. In addition, non-contributory pension scheme and BUPA.

Please write with full career details quoting reference BH424 to Tony Burden, Executive Selection Division, 18 Grosvenor Street, London W1X 9FD.



ESD is the Executive Selection Division of EAL International.

Finance Director (designate)

Growth opportunity from £25K

The company has a £10m turnover in manufacturing and contracting in the UK and overseas. There is tremendous scope for increasing both turnover and profitability and the new person will play an important role as a member of the team reporting to the Chief Executive.

This is a situation which calls for an outstanding individual. It is essential that candidates in their mid-30's are ACA's and, equally important, possess that management flair which is necessary to identify as well as solve problems. Career backgrounds must have been in a manufacturing/service industry with small company experience at some stage. An interesting part of the job will be to look at potential acquisitions and experience in this would be useful. A willingness to travel overseas in the course of business is essential. Salary will be in the range £25,000-£27,500 dependent upon experience and there are all the other items which go to make a good employment package. The base is in a most pleasant part of the North West with easy access to town, sea and countryside.

Please reply - in confidence - with full career details to A. D. Percival.

Ravenscroft & Partners

Search and Selection
20 Albert Square, Manchester M2 5PE

FINANCIAL CONTROLLER

Guildford, Surrey c£22,000 + FX Car

Are you qualified and seeking a small Company environment to utilise the full range of your financial and accounting skills?

IPTest is a small, successful, independent company marketing high tech products for the semi-conductor markets worldwide. We seek an accountant capable of handling the complete financial and administration side of the company and able to contribute to the growth and development of the business.

You should be a qualified accountant with a confident and enthusiastic manner and should be prepared for a hands-on role in the organisation.

Interested applicants should contact Chris Wall on 0483-67218 or write enclosing C.V. to IPTest Limited, 3 The Pines, Broad Street, Guildford, Surrey GU5 6BH.

Group Financial Controller

£35,000+ car + benefits

Hants/Surrey border - M3 corridor

This £80m subsidiary of a major international group and a market leader in information technology is seeking to appoint a Group Financial Controller. The successful candidate will report to the Group Finance Director and have responsibility for monitoring and controlling management information from the two main trading divisions, together with effecting financial control for the European operations which will require occasional overseas travel. Other duties will include forecasting, corporate finance advisory projects and ad hoc tasks as required by the Group Finance Director.

This represents an exceptional career opportunity for qualified accountants aged between 30 and 38 who can demonstrate a proven track record, the ability to work on their own initiative and to relate to other senior executives. Experience of the hi-tech industry and computerised systems would be advantageous.

This appointment offers an attractive remuneration package which includes a fully expensed company car and benefits typical of a major international group with relocation expenses where appropriate. Please reply in confidence enclosing a CV to Keith Norman, FCCA, quoting reference KJN/334.



JACQUES SAMUEL & ASSOCIATES LIMITED
Financial & Executive Selection Division
2 Park Street, Hitchin, Herts SG4 9AH
Telephone: 0462-54761

FAST LANE £20,000

Schlumberger Industries, world leaders within the sophisticated electronics market, already have an enviable reputation for service quality, innovation and efficiency. For the young professional looking for a challenging career with a member of its dynamic management team - both in the UK and abroad. As a Financial Controller heading a small team, your responsibilities will include reporting to UK operations in European Head Quarters. As a finalist or newly qualified, you must be ready to enhance your managerial and computer skills and be keen to gain multi currency experience.

For further information contact, Accountancy Personnel, 30 Museum Street, Ipswich IP1 1JQ, Tel: 0473 215068.

Schlumberger Industries

FINANCIAL DIRECTOR
AYRSHIRE To £25,000+ Directors Bonus+ Car+Benefits

The manufacturing company, which is part of a large national group, requires urgently a dynamic accountant to fill the role of Financial Director. The successful applicant, who will move straight onto the Board, will require a strong personality, proven management skills and should have a background in a manufacturing environment.

This is a real decision making role within this autonomous subsidiary. Be prepared to advise on strategy and help this independent profit centre move to greater heights.

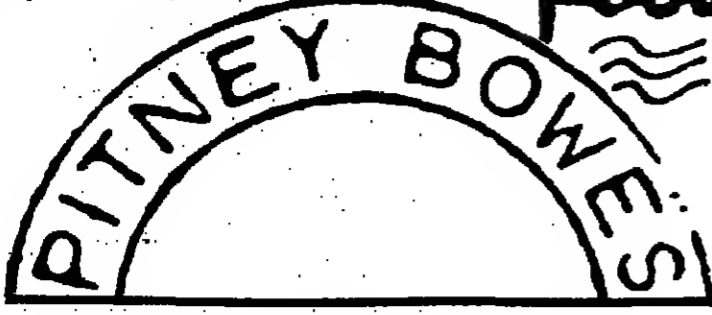
FINANCIAL CONTROLLER
HULL c£22,000+Car

Successful manufacturing concern offer an outstanding opportunity to an ambitious accountant to take full control of its modern computerised accounts function. Strong personality, commercial awareness and a proven track record within industry will enhance your application for this attractive position. Apply today or lose out on what could be 'your golden opportunity' in a relatively low cost housing area with the additional benefits of excellent communication links and major city amenities.

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European Travel
c.£25K + car



Pitney Bowes, a leading office systems business with expanding interests in Europe and a world-wide turnover of \$2.5 billion, seeks a young qualified ACA and a part-qualified Accountant with outgoing, positive personalities, capable of working on their own initiative.

Pitney Bowes plc
An Equal Opportunities Employer.

INTERNAL AUDIT-FINANCIAL SERVICES

That certain difference

c.£16,000-£35,000 + car + benefits
Swindon

In the fast-moving world of financial services Allied Dunbar stands out from the crowd in many ways. Not least of these is in the running of our Audit and Controls Department. If you have the right auditing and consultancy skills, you can experience that certain difference at first hand as an INTERNAL AUDITOR or AUDIT MANAGER.

The Department's functions are far wider than in "traditional" Internal Audit departments and we work in an innovative way. Every project is seen as a partnership, and you will be directly involved in helping departments achieve their business objectives and productivity improvements. You'll actively contribute ideas and discuss their benefits with the senior management concerned.

We expect you to have a certain difference as well. Whatever your current experience, you're looking for a greater challenge and genuine career development. Your excellent communication skills make you very persuasive, and you have the stamina to work well under pressure. You're analytical and learn quickly. Most importantly you're ambitious - because there's no better place than Allied Dunbar to reach the peak of your achievements.

If you can provide these qualities we'll reward you well, with an excellent remuneration package commensurate with your experience and potential. And, of course, you'll have the satisfaction of working for one of the leading companies in the field of personal financial guidance.

Please write for an application form to: Sandy Downes, Allied Dunbar Assurance plc, Allied Dunbar Centre, Swindon SN1 1EL. Or ring her on (0793) 27812 (24 hours - answerphone).

We are an Equal Opportunities Group. Applications are welcome regardless of sex, marital status, ethnic origin or disability.



Exceptional Business-Minded Accountant/MBA DIVISIONAL CONTROLLER

Age 27-32 to \$30k + bonus to 40% + car + share options



Our client is an international British group with turnover exceeding \$200 million and a market leader in its field. A recent institutional backed management buy-in has created an ambitious expansion plan based on organic and acquisitive growth aimed at a successful full Stock Exchange listing in 1991.

The Group's product divisions are operated along decentralised lines with control over performance exercised via a small London Head Office executive team. A young Controller is sought to join this central team and to act as the "right-hand" support to the Executive Director of a \$50m turnover manufacturing-based product division serving the toiletries, cosmetics and pharmaceutical industries, with operations throughout Europe.

systems, full involvement in the management group and the restructuring of the division, critically reviewing business plans, liaising with operational management and undertaking a variety of ad hoc projects at Group and operating company level. This will involve an element of overseas travel from time to time.

You will be a graduate, qualified accountant or MBA with demonstrated relevant financial experience gained in a commercial or manufacturing based environment. You will be self-motivated, a good communicator with sound judgement, and possess the assertiveness and diplomatic skills to act as an effective challenge to operational management.

Interested individuals should write, enclosing a current CV together with salary details, to Shirley Knight, BA, ACMA, MBA, at FMS, 14 Cork Street, London W1X 1PF (Tel: 01-491 3431).



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Young Finance Manager

Central London £22,000 to £26,000 + car + banking benefits

Newly qualified to two years post qualification experience
Overseas reporting and analysis role for a major international banking group

Due to the expansion in activity and recent acquisitions, this high profile department within the finance function needs a newly or recently qualified accountant.

As the primary contact with overseas subsidiaries on financial issues, close liaison with local management and some overseas travel will be required.

Supported by an established team, you will be responsible for consolidation of financial statements and preparation of performance reports. A central feature of this role will be enhancing the analysis and interpretation of results.

Career prospects are excellent within both the finance and business functions for highly motivated candidates with good communication skills.

The generous benefits package includes mortgage subsidy, profit share and a non-contributory pension scheme.

Please write enclosing full career and salary details to Bernard Farmer FCCA, Barber Recruitment Limited, 17/18 Henrietta Street, Covent Garden, London WC2E 8JX or telephone 01-240 1440 (outside office hours 0462 893420)

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Finance Director

Derby to £30,000+ Car+Relocation

Our client is a jointly owned subsidiary of two highly regarded PLC's. It is a major force in the design and supply of processing machinery. The company is continuing to develop its activities both in the UK and overseas in a variety of new directions.

This new post has been created as a direct result of the company's success and expansion. The Finance Director will formulate and implement financial policy, manage the finance department and carry out the other usual functions associated with the senior financial role in a company turning over in excess of £18 million per annum. In particular the Finance Director will play a key role in evaluating the risks associated with significant export contracts and raising export finance.

The successful candidate (ideally aged between 28-40) will be expected to play a key role in the management team in all areas of commercial decision making. They will have had around 10 years' post qualification experience of financial management including a significant period in an export orientated environment.

The ability to demonstrate a track record of achievement in their previous posts is essential, particularly in respect of the quality of management information to aid decision making.

Interested candidates should write enclosing a curriculum vitae to Paul MacIldowie ACA at Michael Page Finance, Imperial Building, Victoria Street, Nottingham NG1 2EX quoting reference FM23L



Michael Page Finance

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SURREY/M25 AREA

Our client is the UK subsidiary of one of the largest cable television operators in the USA installing and providing cable television services. The company has established operations in the UK and Scandinavia and plans a continued expansion of its operations through franchising and acquisitions.

Two new posts have now been created. Both will report to the Financial Vice President.

ASSISTANT TO THE
FINANCIAL
VICE PRESIDENT

to £28K + CAR
+ BENEFITS
(Ref: FT114)

- Responsibilities
- Prepare financing proposals
 - Assist with acquisition studies
 - Liaise with banks
 - Assist in special projects
 - Financial analysis

The successful candidate will be a recently qualified ACA with experience of investigations and strengths in financial planning and analysis, and spreadsheet programming. The position calls for flexibility, maturity and good communication skills (oral and written).

Promotion prospects within the Group are excellent. Occasional international travel involved. Please write in confidence, including a concise CV with daytime telephone number, a letter explaining how you fit the requirements and indicating the appropriate job reference to Steve McBride.

CORPORATE
ACCOUNTANT
to \$26K + CAR
+ BENEFITS
(Ref: FT115)

- Responsibilities
- Prepare consolidated financial and management accounts for the European group
 - Assist with group budgets and plans
 - Preparation of Corporate Office accounts
 - US Financial reporting
 - Group cash management

The successful candidate will be a qualified accountant with sound experience of multinational consolidations and US accounting requirements. The position demands the ability to both communicate effectively and adhere to strict timetables.

ROBSON RHODES

Chartered Accountants

Management Consultancy Division,
186 City Road, London, EC1V 2NU. Fax: 01-250 0801

GROUP EXPLORATION ACCOUNTANT

Clyde Petroleum plc is a leading British independent oil and gas exploration and production company; the Group Head Office is situated in a most pleasant part of Herefordshire.

A vacancy has arisen for an experienced accountant, with strong technical skills, to play an important role in the finance department.

The Group Exploration Accountant will assume overall responsibility for all accounting, cost control and financial reporting aspects of Clyde's worldwide exploration interests, both operated and non-operated. An innovative and commercial approach is essential, together with the ability to communicate effectively within the company and with partners.

Candidates should be qualified accountants with several years' post-qualification experience, ideally in a similar role in the UK oil and gas industry.

Salary is negotiable according to experience and the attractive benefits package includes a fully-expensed car and membership of pension, profit sharing and medical benefits schemes. Reasonable relocation expenses will be met.

Please write (with CV) or telephone in confidence to:

Mr J W Price CBE
Clyde petroleum plc
Coddington Court
Coddington, Nr Ledbury
Herefordshire HR8 1JL



CLYDE PETROLEUM plc



YOUNG CORPORATE FINANCE EXECUTIVE

c. £25,000 & Benefits

A string of award-winning programmes has given Central Independent TV plc, the largest seven-day contractor in the UK, an enviable reputation in the industry. The maintenance of such a high profile in a climate of significant change is a challenge to which the company has responded positively, including strengthening the financial team. Reporting to the Controller of Corporate Finance, you will be closely involved in five key areas of activity. Your remit will cover the analysis and preparation of data relating to companies of interest to Central; group taxation and VAT information and returns along with the identification and evaluation of planning opportunities; investment appraisals including DCF and lease v. purchase comparisons and the evaluation of funding alternatives.

Probably aged 25-30, you will be a qualified accountant well versed in financial evaluation and analysis and with good knowledge of corporate taxation and VAT. You will also have some understanding of treasury operations and funding decisions.

For a practical accountant with the right background who can also demonstrate the scope for future development, this is an excellent opportunity to pursue a challenging career path in a premium company.

Interested candidates should submit a comprehensive career resumé quoting ref: Z2119/FT.

Varley Walker & Partners,
St. James House, 17 Horsefair, Birmingham B1 1DB
Tel: 021-622 1133 Fax: 021-666 6955



Varley-Walker
Human Resource Consultants

National HomeLoans Finance Manager

Solihull, Midlands

c£23k + Mortgage + Car + Benefits

One of the most exciting and innovative financial service companies in the United Kingdom, The National Home Loans Corporation Plc, have attained their current position as market leaders in only three years of operation. In 1988 the company advanced £1.2 billion in new mortgages, and profits increased by a staggering 108% to £23.1 million. The strategy is simple - commitment to growth by diversification and the management of change.

To help achieve this corporate objective an outstanding opportunity has arisen within Group Finance. Reporting to the Divisional Director - Finance and controlling a small but very high profile team, responsibilities are exciting and varied including:

- ★ Financial modelling of business plans.
- ★ Evaluation of new products.
- ★ Involvement in reviewing potential acquisitions.
- ★ Treasury management.
- ★ Budgetary control.

- ★ Group planning.
- ★ Commercial liaison with the most senior members of the management team.

The role demands a qualified accountant with a minimum of two years' FQE in either commerce/industry or public practice. To be successful candidates will need a positive, self-starting approach to problems solving, a willingness to work as part of a team and the interpersonal skills to communicate effectively at all levels. For candidates who can demonstrate the necessary potential, there is scope to gain excellent experience in a fast moving environment offering a superb structured career path within the group.



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Divisional Finance Director (Designate)

West Yorkshire

to £30k + Car + Substantial Bonus

Our client is an autonomous £45 million turnover multi-site manufacturing division of a highly acquisitive, rapidly expanding, quoted textile Group. Their product range has an enviable reputation in the UK and overseas, which has resulted in the successful penetration of consumer and leisure markets. They now seek to appoint a Divisional Financial Controller who, reporting to the Divisional Managing Director, will be responsible for the total finance, business planning and DP functions. A key area of responsibility will be direct involvement in a major capital investment programme, with particular emphasis on the further development of a fully integrated management information system. As a member of the executive team, the individual will be expected to make a significant contribution to the overall management of the business.

Candidates, aged 30+, will be graduate qualified accountants, preferably with systems implementation experience gained within a fast moving manufacturing environment. Strong communication skills and the ability to make an effective contribution to the profitable development of the division are regarded as pre-requisites for this appointment. A Board appointment is envisaged and this position is viewed as a development role within the Group.

A comprehensive package including a profit related bonus scheme and full relocation facilities is available where appropriate.

Interested applicants should write to James J. Russell, quoting Ref: LS463, at Michael Page Finance, Leigh House, 28-32 St. Paul's Street, Leeds LS1 2PX. Tel: (0532) 450212.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
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Group Financial Controller

An exceptional opportunity for an astute opportunist
North West London £28,000 - £30,000 plus car

Involved in the marketing and installation of access control/security systems, our client is currently enjoying outstanding levels of growth and profitability. As a result, a new position has been created for a dynamic young qualified accountant to guide them through this exciting phase of development and beyond.

Reporting directly to the Board, you will personally assume overall responsibility for all the group's financial activities. Your initial brief will be to update their existing systems, which they have now outgrown, through the introduction of new accounting procedures and reporting techniques. Your role will also involve assisting in the implementation of a fully integrated computing facility.

Ideally with at least two years' commercial experience, you must be able to demonstrate considerable business acumen, allied to the natural ability to think both strategically and creatively. Computer experience is essential. This is a real opportunity to make a significant impact on the business and enjoy career development commensurate with your achievements.

Excellent prospects exist, including the possibility of attaining Board status in the medium term and the possibility of guiding the company through a flotation at the same time.

Applications, giving full personal and career details, should be submitted, quoting reference SHA 1250, to Kelly Inroads at Stoy Hayward Associates, at the address below.



Stoy Hayward Associates

MANAGEMENT CONSULTANTS, EXECUTIVE SELECTION DIVISION, 8 BAKER STREET, LONDON W1M 1DA
FAX: 01-487 3686

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European Financial Controller

Package c. £35,000 - £40,000

Our client is one of the principal divisions of a UK plc engaged in the design, engineering and supply of complete information systems. The division specialises in the financial sector both in the UK and internationally.

As part of an extensive restructuring programme, the division now wishes to appoint a European Financial Controller, based in London. The key task initially will be the identification and implementation of improvements to the existing control systems. The successful candidate will play a significant role in setting and achieving the division's business objectives.

This will be a broad role with considerable potential, requiring a strong commercial as well as technical awareness. The successful candidate will be involved in the pricing, accounting and control of major

contracts in addition to the communication of financial information to management.

The ideal candidate will be a qualified accountant, PC literate and probably in his/her mid 30s. He/she should be able to demonstrate a strong record of controlling the finance function in a fast-moving environment. The position will involve some overseas travel, particularly to France. Our client is offering an attractive remuneration package including a performance related bonus and share options in the holding company.

Please apply to: Anthony Jones, Career Plan Ltd., 33 John's Mews, London, WC1N 2NS, tel: 01-242 5775 (or 01-348 3641 between 7.30 pm and 9.30 pm).



Personnel Consultants

Finance Director

RAPIDLY EXPANDING PROPERTY COMPANY

c.£40,000 + substantial bonus + car
CENTRAL LONDON

We wish to recruit an ambitious qualified accountant with knowledge of the property sector to assume the key position of Finance Director within our company.

Reporting to the Managing Director, the successful candidate will be responsible for running a young professional team and for ensuring the provision of effective financial and accounting support and advice. Enthusiasm and the potential to grow with the company are essential for this challenging role.

Please send full career details to:

Box No A1165,
Financial Times,
10 Cannon Street,
London EC4P 4BY.

New Company - New Factory - New Opportunity for a recently qualified ACCOUNTANT

c.£18,000-£20,000+car North Midlands

Our clients, a large successful organisation with diverse interest throughout the UK and Europe are commencing a new venture—a combination between two multi-national parents—with likely first year sales of around \$6 million.

Located in the North Midlands and supplying engineered products to the motor industry, this would appeal to a young recently qualified Accountant to take the role of Company Accountant.

With total financial control reporting to the General Manager, you will be responsible for setting up computerised accounting procedures, standard costing systems, labour cost analysis, production management liaison, monthly operating statements and variance analyses; customer profitability reporting.

Candidates, aged in their 20's, should be recently Qualified CIMA/ACMA, ideally with some experience gained in a medium sized engineering environment, but now looking to gain further experience in an expanding and forward-looking organisation.

Salary will be negotiable as indicated, depending upon qualifications and specific experience, along with a comprehensive benefits package including a fully expensed company car.

Please write or telephone for a personal history form quoting reference number 1781 to:

E. M. Hill, MECI,
John Phillips Selection Limited,
Norfolk House, Smallbrook Queensway,
Birmingham B5 4LJ.
Tel: 021-643 9648.

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SELECTION**

FINANCE MANAGER AGE 25 - 35 LONDON

This is an excellent career opportunity to join the Management Team of this prestigious Private Hospital Complex.

The successful applicant will report directly to the Associate Executive Director/Finance and should be ACA or ACCA with at least two year's post-qualifying experience, preferably in the commercial field. Knowledge of a computerised financial accounts system and a determination to achieve deadlines are required as is the ability to supervise staff and communicate with all levels of management.

The Hospital offers an excellent working environment along with a generous salary and benefits package.

Please apply in confidence, enclosing a C.V. and salary details to Mr. Graham White, Personnel Director.

**Humana Hospital
Wellington**

Wellington Place London NW8 9LE

Financial Controller

Cash & Carry - North London

Circa £25,000 per annum plus Bonus and Car

This young and dynamic Grocery Company has achieved outstanding turnover growth and profit ratios during the past three years. It is now planning its expansion programme into the 1990's based upon a very successful philosophy of marketing and selling a quality range of branded and own label products supported by an excellent customer service programme. As part of the future development of the business the need exists to recruit a qualified ACMA, around 28 years of age, with approximately three years post qualification experience in a "trading" environment, who can take responsibility for all aspects of the Company's accounting functions. The successful candidate must be able to contribute, as a member of the Management Committee, to the general direction and performance of the business through a sound understanding of "cash planning"

in a business whose turnover exceeds £20m per annum. The pragmatic ability to apply management accounting principles and practices is key to the role and a good working knowledge of computerised accountancy particularly in the area of Purchase Ledger/Pricing Control would be an added advantage. This role will appeal to a young accountant who has a commercial awareness developed from working in a fast moving trading environment.

This is the opportunity to join a young Company whose management style is very much "hands on" but where proactive and creative thinking is encouraged. Promotional prospects are of course excellent. Please write with full career details to: Cliff Desley, James Allen & Associates Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ. Tel: 021-705 7399.

**JAMES ALLEN
& ASSOCIATES LIMITED**
EXECUTIVE SEARCH, SELECTION & DEVELOPMENT

Company Accountant

Finalist Or Recently Qualified

Northants
£22,000 Package

This is a truly outstanding opportunity to join the finance function of a company who are the market leaders in Europe in the supply of plastic bottles to the beverage market. The company accountant will report to the financial controller with main responsibilities being projects and treasury, this includes capital planning, budgets, business planning, grants, cash flow control, foreign exchange planning and special assignments and investigations. Preferably aged 28-35 you will be a finalist or recently qualified with at least three years experience in industry or commerce. In addition to the attractive salary the package also includes a lease car, bonus scheme and relocation assistance where appropriate. Career prospects are excellent.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to: G.J. Deakin, Hoggett Bowers plc, 13 Frederick Road, Edgbaston, BIRMINGHAM, B15 1JD. 021-455 7575, Fax: 021-454 2338, quoting Ref: B18039/FT.

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ASSISTANT MANAGEMENT ACCOUNTANT

FINANCIAL TIMES NEWSPAPER

LONDON £15,500

The Financial Times has a vacancy for Assistant Management Accountant arising from a re-organisation of its Newspaper Management Accounting team.

The Accountant will be responsible for the preparation of monthly management account forecasts and budgets. Assistance will also be required for the production of year-end financial accounts.

Aged between 22 to 27 years, the applicants must be at least part-qualified stage of a formal accounting qualification, aiming to complete the examinations within two years. Career development opportunities are considerable with the FT Group.

The successful candidate should be able to demonstrate computer literacy have at least two years relevant accounting experience, be able to work to tight deadlines and have good inter-personal skills necessary to deal with managers.

Please write enclosing a career/salary history to:

Personnel Department
Ref (FT)
Financial Times Limited
Bracken House
10 Cannon Street
LONDON EC4P 4BY

FINANCIAL TIMES
GROUP'S BUSINESS & FINANCE

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FINANCIAL TIMES COMPANIES & MARKETS

Thursday March 9 1989



Protagonists in the six-month battle of nerves over the future of Lomrho: 'Tiny' Rowland (above) and Alan Bond

'Tiny' Rowland repels Bond's boarding party

David Waller and Ray Bashford report on the surprise move to auction a stake in Lomrho

THE relationship between Alan Bond and 'Tiny' Rowland began amicably enough last summer...



Mr Rowland, who has encountered a lot of enemies during his quarter century at the helm of the London-based multinational, has all but seen off yet another adversary...

indeed Mr Bond's reputation as an entrepreneur, under more intense scrutiny than ever before...

However, there is no doubt that investor uncertainty exists, exemplified by a recent slide in Bond Corporation shares...

The interest bill on these borrowings has risen dramatically during the past 12 months, partly because of the acquisition for \$850m last year...

Mr Bond cannot find a buyer. Under this scenario, he ends up nursing a vast, costly stake in a company which neither he nor anyone else feels able to take over...

According to one far-fetched theory, Mr Bond may have no real intention of attracting a buyer for the stake...

Mr Bond finds a buyer who would be prepared to pay the premium to Lomrho's current share price as a bid platform...

Mr Bond finds a buyer in the form of a consortium of investors, either hostile to Mr Rowland or not...

Rhône-Poulenc advances 46% to FF3.5bn profit

By Andrew Baxter in Paris

RHÔNE-POULENC, the French state-controlled chemicals and drugs group, yesterday announced a 46 per cent rise in 1988 net profits to FF3.5bn (\$670m) from FF2.38bn the previous year...

The results, which were well ahead of analysts' expectations, confirm the extent of the group's recovery since the lean years of the early 1980s...

Along with other companies, Rhône-Poulenc benefited from the boom last year in the global basic chemical industry...

In the health division, operating profits rose from FF1.22bn in 1987 to FF1.57bn, despite some difficulties in upstream pharmaceuticals...

announced the purchase of Monsanto's bulk aspirin and paracetamol manufacturing plants...

The agricultural division boosted 1988 operating profits from FF477m to FF779m, reflecting synergies achieved from the company's purchase of Union Carbide...

The fourth major division, fibres, posted a strong turnaround from an operating loss of FF965m in 1987 to profits of FF6m...

Total operating profit for the group emerged at FF3.19bn, up 50 per cent from the FF2.12bn in 1987...

The company said prospects for the first half of 1989 were satisfactory, and the group would continue looking for acquisition opportunities...

GrandMet sells US unit for \$431m and takes over Metaxa

By Roderick Oram and Christopher Parkes

GRANDMETROPOLITAN, the UK food and drinks group, has sold the S&A Restaurant unit of Pillsbury for \$431m...

In a separate move, GrandMet said yesterday it was taking over Metaxa, the Greek brandy business, for an undisclosed sum...

GrandMet says it is an investor group led by DSI Investments, a small leveraged buyout specialist, and the senior management of the chain of some 380 Steak & Ale and Bannigan's restaurants...

grounds but GrandMet won temporary dispensations to buy Pillsbury and quickly sell S&A; it also offered to donate to charity any operating profits from S&A during its short ownership...

Pillsbury acquired the Steak & Ale chain in 1978 and subsequently developed the Bannigan's format. Both brands were typical of Pillsbury's desultory performance that laid it open to takeover...

Metaxa and Kaloyannis, are leading players in international markets. Metaxa brandy, with annual sales of 1.5m cases, is market leader in duty-free shops...

As part of the Kaloyannis deal, IDV will acquire the worldwide distribution rights to Ouzo 12, which has annual sales of 900,000 cases...

IDV and Metaxa have worked together for 25 years, and the Greek advertising and marketing services company, yesterday swept into the bid limelight when BDDP, a smaller Paris-based advertising agency group, said it had made a merger approach...

BDDP said that it envisaged making a cash offer for BMP at or around the 300p level - which would capitalise the company at around £100m (£172m) - adding that it has already acquired a 6.48 per cent stake in BMP...

However, the response from BMP was swift and hostile. It said that it had talked to many European agencies including BDDP - in the context of its well-publicised plans to create a European network...

It went on to say that discussions were terminated some months ago, and that the current approach "indicates how much they need to expand from their rather limited base and how little they understand BMP, its culture and development."

"The indicated offer is clearly at a ridiculous level," says BMP, "and is totally unwelcome."

Faced by this firm rebuff, BDDP and its advisers, Charterhouse, said last night that they were considering their options. The possibility of making a hostile bid was described as "just one of the options."

However, non-recommended offers in the agency sector are extremely rare and analysts were sceptical about the possibilities in this case.

Deutsche Bank set to make Spanish bid

By Peter Bruce in Madrid and Haig Simonian in Frankfurt

DEUTSCHE BANK of West over bid for Banco Commercial Transatlantico, a medium-sized Spanish bank. The Barcelona-based bank's shares were suspended yesterday...

Mr Wolfgang von Eckartsberg, joint general manager of the Deutsche Bank in Madrid, said a formal bid for Bancotrans would probably be made "in the next couple of days."

The bid will mark a long, and, more recently, bruising attempt by the West Germans to reclaim a bank they founded in Spain before the Second World War and to enter finally Spain's booming commercial banking industry...

Let's not let Deutsche Bank take over Bancotrans, but the government relented after a visit to Madrid a week ago by Mr Alfred Herrhausen, Deutsche Bank's president, during which he saw Mr Carlos Solchaga, Finance Minister...

Bancotrans, once owned 100 per cent by the Deutsche Bank, was confiscated by the Franco regime after the war. It ranked 31 in Spain in terms of first-half profits last year - Pta.14bn (\$10m) - and runs more than 100 commercial branches, mainly in Catalonia. Deutsche Bank presently operates two branches in Spain...

Since the late 1970s during which time British and American competitors have been able to buy small banks and their branch networks, the Deutsche Bank has acquired 39.05 per cent of Bancotrans. A further 10 per cent is held by the Baden Württembergische Landesbank, in which the Deutsche Bank has an indirect interest of 12.5 per cent...

The Landesbank's purchase last year was purely coincidental, say Deutsche Bank officials, though the Bank of Spain, initially suspecting an established distributor of IDV's J&B Rare Scotch whisky...

Deutsche Bank also said yesterday that it had sold its 23 per cent stake in European American Bank (EAB) to Amsterdam-Rotterdam Bank of the Netherlands...

EAB owns EAB Bank and Trust, a general purpose bank in the US with 89 offices around New York City.

INSIDE

New top brass at Metallgesellschaft

Heinz Schimmelbusch (left) does not fit the stereotype of a solemn, serious West German executive. But his sometimes irreverent sense of humour belies the hard-driving businessman soon to become chairman of Metallgesellschaft...

French market watchdog sharpens its teeth

The financial scandals of the last few months have shaken public confidence in the country's financial establishment. In response, the French cabinet has considerably strengthened the disciplinary powers of the Cob, the stock market watchdog...

Ultramar posts sharp rise

Ultramar, independent UK-based oil company, announced a sharp rise in after-tax profits, which it said reflected restructuring. It also revealed it planned to sell its oil business in Western Canada.

Finding gold in a green market

The "green" theme is sprouting vigorously in the UK and Japanese equity markets as investors home in on companies involved in waste clean-up, water purification and the search for chlorofluorocarbon substitutes...

China hopes for rich harvest from Soviet venture

China has long struggled with how to feed its people. More than 40m of them do not have enough to eat. In a bid to tackle the problem, the Government is discussing joint ventures with the Soviet Union...

Market Statistics

Table with 4 columns: Index, % Change, and other metrics for various market indices.

Companies in this section

Table listing various companies and their share prices, including Abbey National, Aikhen Hume, American Distributors, etc.

Chief price changes yesterday

Table showing price changes for various companies like Peugeot, Lufftanks, etc.

New York prices at 12.30

Table showing stock prices for various companies in New York, including IBM, AT&T, etc.

Vertical text on the left margin including 'receptor', 'MANAGER LONDON', 'ANT ACCOUNTANT', etc.

INTERNATIONAL COMPANIES AND FINANCE

Balfour Beatty helps push BICC profits up 22%

By David Waller

BICC, the UK cable and construction company, yesterday surprised the stock market when it announced a 22 per cent increase in pre-tax profits to £152m (£96m) for 1988, and a 29 per cent rise in earnings per share.

Good conditions at Balfour Beatty, the construction subsidiary, and in the cables business worldwide helped the company achieve a result well above the £142m-£148m range of brokers' estimates. The shares jumped 32p to close at 492p on the UK stock market.

Turnover grew from £2.49bn to £2.95bn, an increase of 18 per cent. Pre-interest profits grew 27 per cent to £173m, reflecting an increase in group margins from 5.46 to 5.87 per cent.

Earnings per share rose from 29.8p to 38.4p and the final dividend is to be 25 per cent higher at 11.25p per share, making 16p for the full year, an increase of 23 per cent.

Another positive factor was that the pre-tax figure was struck after an unquantified contribution from the company to the pension fund.

Payments were suspended in 1986 and 1987, boosting the pre-tax result by £11m in both years, and it was thought that a resumption of payments would dent profits growth.

Balfour Beatty did particularly well, with profits up 40 per cent to £51.2m on turnover of £1.36bn (£1.15bn last year). This division was boosted by the sale of 1,600 houses built

during the year, double the number constructed in 1987.

Reflecting the benefits of continued product rationalisation, profits in the UK cables business rose 21 per cent to £45.2m on turnover up from £621m to £583m.

Having sold a significant part of its businesses in 1988, BICC Technologies reported profits down from £7.1m to £6.7m. In Australasia, Metal Manufactures improved its profits 11 per cent to £33m.

Last year, BICC expanded with the 290m acquisition of Ceat Cavi, Italy's second largest cable manufacturer. It also took an initial 20 per cent stake in Spain's leading cable maker and increased its holding in the US power cable company, Cablec, by 35 per cent.

Acquisitions chipped in 24m to the pre-interest profit figure and £43m to turnover. Improved margins at Cablec - helped the North American business more than double its profits to £16.5m.

Sir William Barlow, chairman of the company and architect of its restructuring over recent years, said the figures were a milestone for the group. "After a period of consolidation, the company has achieved real growth over the last two years."

The chairman was optimistic about the future, pointing to a record order book for the group as a whole. At Balfour Beatty, the order book was up by a quarter to £1.7bn.

Swiss jam maker boosts profits with acquisitions

By Our Financial Staff

HERO, the Swiss foods group best known for its range of jams, reports higher profits and plans to step up its dividend.

The company said yesterday that acquisitions had helped boost the results.

It planned to lift its dividend to Sfr120 per bearer share from Sfr106, and to Sfr30 per

registered share and participation certificate, against Sfr27 last year.

Group net profit rose 28 per cent to Sfr39.5m (£25.1m) from Sfr31m in 1987, following a 19 per cent increase in turnover to Sfr609.9m. Much of the gain stemmed from last year's acquisition of foods group Trattina.

Wider horizons creep up on Metallgesellschaft

Andrew Fisher on the impact that changing management styles are having on the West German group

When he is in an irreverently joking mood, Mr Heinz Schimmelbusch seems far removed from the usual West German executive mould.

But the hard-driving, sometimes outspoken Mr Schimmelbusch has his serious side, too. In May, he steps up to become chairman of Metallgesellschaft, the Frankfurt group with worldwide interests in metals, mining, chemicals and industrial plant. Aged 44, he will be one of Germany's youngest company chairmen.

In the early 1980s, Metallgesellschaft, whose turnover exceeds DM15bn (£8.1bn), lost its place among Germany's corporate high-fliers. After prospering in the 1970s, it ran up heavy losses in metals trading, manufacturing and plant construction, only resuming dividend payments in 1985 after omitting them for three years.

Today Metallgesellschaft, under present chairman Mr Dietrich Natus, is growing again. Helped by higher metal prices, the improved economy and its investment and cost-cutting efforts, the group's net profits soared by 50 per cent to around DM100m (£60m) in the year ended September 1988. Final figures are due next month. Mr Schimmelbusch says "we are hopeful" that there will be a further increase this year. In the longer term, he is looking for steady rises averaging at least 10 per cent.



Heinz Schimmelbusch: on the road to expansion

The affable Austrian-born Mr Schimmelbusch, now deputy chairman, has been with the company for 18 years, eight of those on the board, so his move to the top job will not mark an immediate change of style. His direct, rather iconoclastic approach has made a deep impression on Metallgesellschaft. He joined after teaching economics at Tübingen University, and before taking up the post he insisted on being sent to Wall Street to learn about US investment banking.

So he is as much at home

with the intricacies of financial markets as in the boisterous world of metal and commodities trading, which he oversees as a director. As head of Metall Mining Corporation (MMC), the quoted Toronto-based subsidiary of which the group owns 65 per cent, he is also familiar with mining and exploration.

This varied experience has helped him take responsibility for much of the restructuring at Metallgesellschaft. The company also owns Lurgi, the manufacturer of industrial plant.

"The process is not finished," he emphasises. "We're about halfway through. There is a long list of subsidiaries and relatively small and distant activities which have to be addressed." This should involve disposals, partnerships, or streamlining certain activities, and he intends this to happen fairly fast. "There should be a variety of relatively small transactions to make the company better, more defined and more easily managed."

Then, he adds, management will have more time to concentrate on expansion. "We haven't really expanded yet. We have improved, but we haven't really taken any big steps. We feel it is much better to do this from a solid, strategic base."

Two deals in Austria indicate the way Metallgesellschaft aims to go. Last December it sold its packaging interests,

regarded as peripheral to its main businesses, and took a majority stake in a large tungsten operation. The packaging company was sold to Austria Metall, which is keen to expand in the European Community. The tungsten holding, added to an existing one held by Metallgesellschaft, was bought from Voest-Alpine.

This twin deal allowed Metallgesellschaft to leave packaging, where it was a relatively small player, and move deeper into an area which is part of its core business. "We have come from a minority to a majority position in an asset close to our heart," comments Mr Schimmelbusch.

The other move, early in February, was much more expansionary. Through MMC, which groups all of Metallgesellschaft's foreign mining interests, the Copper Range mining company in the US state of Michigan was bought for up to \$66m - the actual price will depend on meeting production targets - from its staff owners. MMC's portfolio already includes minority interests in Canada (Cominco and Teck), Papua New Guinea (Ok Tedi), and Australia (MBA).

Metallgesellschaft may be planning other moves. "If we see a definite chance, we shall go after it," asserts Mr Schimmelbusch. But this will only be in sectors where the group already has a technological

grasp. In the group's main-stream businesses, "there is an endless row of chances. Why should we buy into a different industry and then find out how they do it?"

Management, now leaner after the restructuring, is engaged on a host of internal projects in mining, metals recycling, materials research, and combining different activities to provide integrated services, so are short of time for other activities. The company also wants to avoid paying high prices in any future ventures. Exceptions would only occur "if there is a rare jewel undetected by anyone else."

Like many German companies, Metallgesellschaft has its eye on the long term rather than the immediate future. Hence the emphasis on steady, predictable profits growth rather than quick gains which could fizzle out. This would make it easier to finance acquisitions with debt, something not done since earnings turned volatile in the early 1980s.

Those were confusing years, when the group shed such loss-making activities as a metal-forming plant in Frankfurt. Now the company has its main businesses in closer focus. "We view all our activities, without exception, as a service." Thus the company can supply, transport and finance raw materials for customers. It also has a growing recycling business: companies pay to have indus-

trial waste removed by Metallgesellschaft, which extracts the metals and sells them.

Such changes have made Metallgesellschaft much less subject to the gyrations of commodity markets. "We have decreased our dependence on metal prices," says Mr Schimmelbusch. "This is a pity when prices shoot up, but good when they go down." So future profit advances are expected to be steady rather than erratic.

Also, most stock is owned by big shareholders such as Dresdner Bank, Deutsche Bank, Allianz insurance, the Siemens electrical concern and Kuwait, with less than a fifth held by the public. This gives the company a solid base. "It is important for us to have large institutional shareholders," says Mr Schimmelbusch, less to protect its independence than to assure customers of long-term stability, especially for Lurgi whose large plant contracts run for several years.

From metals and chemicals trading through mining, smelting and recycling to heavy plant is a considerable spread. But to Mr Schimmelbusch, the parts form a strategic whole. This is a big change from a few years ago, when energies were devoted to eliminating losses and streamlining the group. Then, he recalls, "there was no strategy, we just cleaned up the mess." Now, the group is in a position to look far ahead.

Account error at Noble & Lund

By Philip Coggan

MR ROSS MARTIN, a New Zealand businessman, said yesterday he had discovered major accounting errors at a subsidiary of Noble & Lund, the small UK engineering group, just three weeks after he became chief executive of the company.

The errors, at the company's Kwiklok subsidiary, apparently relate to overvaluation of working capital. They mean that Noble & Lund is likely to report a full-year loss, after making pre-tax profits of £1.4m (£1.9m) at the interim stage.

Mr Martin, who was formerly an executive in Sir Ron Brierley's group of companies, has appointed Peat Marwick

McIntock, the accountants, to investigate the errors and the shares have meanwhile been suspended at 96p.

The investigation also means that Noble & Lund's full year results, due to be announced on March 13, have been postponed and that the proposed offer for Theseus Investments will not now proceed. Mr Martin and Mr Peter Williams own 33.9 per cent of Theseus, a medical and dental supplies distributor quoted on the New Zealand stock market and the plan was to reverse Theseus into Noble & Lund and sell off the latter's old engineering interests, based in Gateshead.

Noble & Lund became an aspiring miniconglomerate in

1985, when Mr Terry Galgey, a Eurobond dealer, put together a consortium to buy a majority stake in the group.

The shares leapt ahead on hopes of growth and Mr Galgey was able to acquire a series of companies including Kwiklok, a flat pack furniture maker.

Mr Galgey has since left the group and the arrival of Mr Martin and Mr Williams, who took a 6 per cent stake, seemed to herald a new era of growth for the company.

Mr Martin said yesterday that the Theseus deal might yet proceed and he was not discouraged. "We think it is an isolated problem and we have discovered it quickly," he added.

VNU lifts its dividend by nearly a sixth

By Our Financial Staff

VNU, the biggest publisher in the Netherlands, is lifting its dividend by close to a sixth following a good increase in profits for 1988.

The company, which acquired the Anet newspaper publishing group last year, says that profits after tax rose to F113.5m (£63.8m) from F113.3m.

The dividend is going up from F1.20 a share from F1.25 a share in 1987.

Operating profits totalled F124.5m, against F118.7m for the year before. Sales for the year rose to F12.5bn from F12.29bn.

Aussadat Rey takeover approved by government

By Paul Belts in Paris

THE FRENCH Government has formally approved the proposed FFr2.2bn (£345m) friendly acquisition of Aussadat Rey, the French paper group, by International Paper of the US.

The Government's attitude to the deal was widely regarded as a test of French attitudes towards foreign takeovers, especially after President François Mitterrand's recent criticisms of stock market raiders and what he described as "predatory money."

However, the French finance and industry ministries both said yesterday that the Govern-

ment had now decided to give the formal go-ahead for the takeover.

Last month Aussadat Rey accepted FFr2.2bn from International Paper which also promised to finance FFr2.85bn worth of investments for Aussadat Rey.

Although Arjomari Prioux, France's largest paper group, offered to match International Paper's offer, Aussadat Rey preferred the US bid.

The Government has not decided on another proposed takeover of a French company by a US group: the acquisition of industrial sponge maker Sponter by 3M for FFr1.1bn.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

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December 21, 1988

*Member of The Securities Association

TOZER KEMSLEY & MILLBOURN (HOLDINGS) plc

SUMMARY OF RESULTS	1988	1987	Percentage Change
SALES	£985m	£890m	+11%
PRE-TAX PROFITS	£44.1m	£32.3m	+36%
EARNINGS PER SHARE	12.9p	9.8p	+32%
DIVIDEND	4.0p	2.1p	+90%

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INTERNATIONAL COMPANIES AND FINANCE

CRA net soars to record A\$449m

CRA, the Australian resources group, plans to double capital spending after record profits announced yesterday for 1988. Reuter reports from Melbourne.

High base metal, aluminium and copper prices overcame a strong local dollar to help the company, a 49 per cent owned associate of British's RTZ Corporation. Its equity accounted net profit 93.5 per cent to A\$449.1m (US\$368.3m) on sales 3 per cent higher at A\$5.1bn.

Mr John Ralph, managing director said yesterday that CRA should exceed that profit in 1989. It would take advantage of sharply lower debt to seek acquisitions, he added.

CRA almost halved debt during 1988 to A\$1.1bn. "We will expand where first class opportunities exist," Mr Ralph said. "Our plan is to continue to make acquisitions to make additional growth." The group plans to double capital spend-

ing in 1989-90 to around A\$1bn. The result came before a net extraordinary profit of A\$153.5m against A\$90.6m. Some A\$28.7m is being paid out in 1988 dividends, with a final distribution of 20 cents making 42 cents for the year against 19 cents.

Mr Ralph said CRA gained from maintaining investment during a downturn in the early 1980s: "We got through it with out making the sacrifices which come back and bite you later."

Growth would come from acquisitions, probably in minerals and power generation, and from strong growth and efficiency improvements in iron ore, coal and copper, and development of gold interests in Papua New Guinea, Mr Ralph said.

"Our plan is to continue to strengthen our commodity operating base. Prices are going to be much more favour-

able over the next decade than they have been over the last. Demand is firm and inventory levels are all at historic lows."

Aluminium was CRA's highest revenue earner, through the 67 per cent owned Comalco, contributing almost half the profits at A\$263.5m, up from A\$112m.

Iron ore contributions to profit rose to A\$98.1m from A\$84.2m. These from copper and gold rose slightly to A\$71.5m from A\$69.1m while lead, zinc and silver from Pannico, CRA's joint venture with North Broken Hill PeKo, yielded A\$24.4m against A\$10.4m loss for the division in 1987.

Mr Ralph identified coal as a sector for expansion. Coal profits in 1988 more than doubled to A\$95m. CRA yesterday moved closer toward its ambition of becoming a major electricity provider with a joint venture pact to study building a coal-fired power station in Western Australia.

Executives of CRA and Barrick House Group, a private Perth investment group, said they had formed a company to consider building a 1,000 megawatt power station fed by CRA's Hill River coal deposits, 180km north of Perth.

The study envisages a A\$1bn power plant to be in operation by 1994, fuelled by more than 100m tonnes of reserves.

CRA already operates three of its own power stations in Papua New Guinea and Australia. The company has plans for a large coal-fired station in New South Wales, and another in Whangarei, New Zealand, fed by Queensland coal.

Comalco has said it also wants to take over the government-run Manapouri hydro-electric power station which supplies electricity to Comalco's Twpal Point aluminium smelter in New Zealand.

Burns Philp raises profit 27% in first six months

BURNS PHILP, the Australian manufacturing and trading group, yesterday reported equity-accounted net profits up 27 per cent to A\$48.2m (US\$37.4m) in the first half to December. Despite large currency translation losses, Reuter reports from Sydney.

The company, a leading manufacturer of vinegar and yeast as well as a hardware retailer, said the full-year result would be satisfactory but that profit in the second half was not expected to be as high as in the first due to seasonal factors.

Mr Andrew Turnbull, chief executive, said: "Demand from the Australian building industry is continuing at high levels. Recent devaluation in the Australian dollar, if sustained, will have a favorable impact on the translation of international earnings."

Sales were A\$880.2m compared with A\$681.4m, with other revenue of A\$44.3m against 39.5m. The interim dividend is 7.5 cents a share, up from 6 cents, and is one quarter franked for tax purposes.

At Arncliffe, an Australian foods group, yesterday reported a 27.9 per cent rise in attributable net profit to A\$23.3m (US\$22.9m) in the six months to December and said the main reason was the reduction in company tax rate to 28 per cent from 49 per cent. Reuter reports from Sydney.

Pre-tax profit rose only 3.2 per cent to A\$48.1m. The construction of a large biscuit factory held back growth.

Arncliffe is paying an interim dividend of 7 cents plus a second interim of 3.5 cents, to ensure that all shareholders receive their payments fully franked. Last year 9 cents was paid.

Exchange rate shifts help S African asbestos duo

MSAULI AND Gefco, South Africa's two quoted asbestos producers, registered strong profit improvements in 1988 after control was sold to management, writes Jim Jones in Johannesburg.

The two were helped by favourable exchange rate shifts last year. Both are diversifying away from asbestos and are participating in a small gold mine development near Maseru's property in the mountains along South Africa's eastern border with Swaziland.

Gefco, which produces crocidolite (blue asbestos) and amosite at mines in the northern Cape, lifted sales to R24m (R33.3m) from R24m and earned a pre-tax profit of R14.0m against the previous year's R1.2m loss. The company's restrained production at its various mines during the first three quarters but lifted output in the final quarter after stocks had been reduced.

Msauli, a producer of chrysotile asbestos at its eastern Transvaal mine, lifted turnover to R57m from R40m with the mine and mill operating at full capacity. Its pre-tax profit rose to R11.4m from R2.0m.

Control of the two companies was sold by Gencor, their former parent, last year when it appeared that health fears would continue to afflict asbestos markets. It was thought that people affected by asbestos fibres might litigate against the mines.

Msauli's earnings rose to 177.2 cents a share from 31.6 cents and dividend payments have been resumed with a 36 cents distribution. Gefco has a 32 cent dividend from earnings of 36.5 cents. In 1987 its attributable loss was 14.7 cents a share.

Wardley advances 10%

WARDLEY HOLDINGS, the merchant banking arm of Hongkong and Shanghai Banking Corporation, registered a 10 per cent increase in net profits last year to a record HK\$473m (US\$301.6m).

The dividend paid to the Hongkong Bank, which is due to report its own 1988 results next Tuesday, was maintained at HK\$340m, while total assets grew to HK\$32.8bn from HK\$30.4bn.

Mr Bernard Asher, chief executive of Wardley, said that slower economic growth anti-

Sale boosts IEP earnings

INDUSTRIAL EQUITY Pacific, the Hong Kong listed subsidiary of Sir Ron Brierley's New Zealand-based Brierley Investments, has reported net profits of HK\$993m (US\$114.5m) for the six months to December, up from HK\$928m.

The company said the profit derived largely from the sale of the group's stakes in CalMat, the Los Angeles cement producer, at a substantial surplus over book value.

Turnover leapt to HK\$1.5bn from a previous HK\$955.5m. This was largely as a result of the contribution from Toser Kemalay and Millbourn, the UK motor trader which on Tuesday reported full-year pre-tax profits up 36 per cent to \$44.1m (US\$75.9m).

Control of IEP passed from Australia-based Industrial Equity (IRE) to Brierley Investments, the New Zealand parent. IEP's own acquisitions included 100 per cent of Associated Hosts, a US restaurant chain, and an 85 per cent stake in Sasego, distributor of automotive and engineering supplies in the US and Canada.

U.S. \$400,000,000
Hydro-Québec
Unrated
Floating Rate Notes, Series GL
Unconditionally guaranteed as to payment of principal and interest by
Province de Québec
Interest Rate 10.3125% per annum
Interest Period 9th March 1989
11th September 1989
Interest Amount per U.S.\$10,000 Note due 11th September 1989 U.S.\$532.81
Credit Suisse First Boston Limited
Agent Bank

Consolidated Gold Fields Finance PLC
£75,000,000
Guaranteed Floating Rate Notes 1995
unconditionally guaranteed by
Consolidated Gold Fields PLC
In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 7th March, 1989 to 7th June, 1989, the Notes will bear interest at the rate of 13.14 per cent per annum. Coupon No. 17 will therefore be payable on 7th June, 1989 at £1,669.86 per coupon from Notes of £50,000 nominal and £166.99 per coupon from Notes of £5,000 nominal.
S.G. Warburg & Co. Ltd.
Agent Bank

Citizens Federal Savings and Loan Association
U.S. \$100,000,000
Collateralized Floating Rate Notes due 1996
For the six months 8th March, 1989 to 8th September, 1989, the Notes will carry an interest rate of 10.525% per annum and an interest amount of U.S. \$1,344.86 per U.S. \$25,000 Note.
Bankers Trust Company, London
Agent Bank

INTERNATIONAL APPOINTMENTS
JP Morgan reorganises management structure
J.P. MORGAN, the US holding bank that owns Morgan Guaranty Trust, has made two separate organisational moves to involve its executives more directly in the management of the group.
A management committee comprising eight executives has been set up including Mr Lewis Frosch, chairman and chief executive officer, Mr Dennis Weatherstone, president and Mr John Ruffe, vice chairman.
The committee aims to improve analysis of important issues, decision-making and communications by integrating policy and planning with day-to-day management. The corporate office will continue to be responsible for policy and funding.
The company has also set up a global support group to realign its operational and support activities.
The group plans to reduce costs by advising on business priorities for investment. It will also manage operational and administrative systems on a worldwide basis such as cash management systems.
MEDTRONIC MDT, the US producer of implantable cardiac pacemakers, has elected Mr William George, president and chief operating officer. He will succeed Mr Winston Wallin, who remains as chairman.
Mr George, who will be responsible for Medtronic's cardiovascular businesses, has been president of Honeywell's space and aviation systems business since December 1987.
M/A-COM, the New England-based manufacturer of telecommunications systems and equipment, has elected Mr Thomas Burke chairman. The position has been vacant since February 1988, when Mr Richard Dibona stepped down due to illness.
Mr Burke is now chairman, president and chief executive officer of the company.
AHMANSON (HF), the California-based property, insurance and mortgage company, has appointed Mr Jack Frazee executive vice president and chief financial officer. Mr Frazee, who succeeds Mr Calvin Wallace who is retiring, was executive vice president and chief financial officer at Citicorp for 15 years before joining Ahmanson.

U.S. \$200,000,000
Midland International Financial Services B.V.
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Guaranteed Floating Rate Notes 1989
Guaranteed on a subordinated basis as to payment of principal and interest by
Midland Bank plc
For the six months from 8.3.89 to 11.9.89 the Notes will carry an interest rate of 10.94% per annum.
On 11.9.89 interest of U.S. \$532.81 will be due per U.S. \$10,000 Note for Coupon No. 11
Agent Bank: EBC Amro Bank Limited

Royal Trustco Limited
U.S. \$150,000,000
Floating Rate Subordinated Capital Debentures Due 2005
Notice is hereby given that the rate of interest for the six months period 9 March 1989 to 11 September 1989 has been fixed at 10.40 per cent. The amount payable per U.S. \$10,000 Note on 11 September 1989 will be U.S. \$573.23 against Coupon No. 6. The amount payable per U.S. \$10,000 Note will be U.S. \$573.23 against Coupon No. 6.
Bank of Montreal as Agent

PURCHASE INVITATION
BY
SAMUEL MONTAGU & CO. LIMITED
ON BEHALF OF HURSTMERE FINANCE LIMITED
AND WILSHIRE LIMITED (WHOLLY OWNED SUBSIDIARIES
OF BOND CORPORATION HOLDINGS LIMITED
AND BELL RESOURCES LIMITED, RESPECTIVELY)
TO SELL THE WHOLE OF THEIR SHAREHOLDINGS IN
LONRHO PLC
AT A MINIMUM PRICE OF
385P PER ORDINARY SHARE (CUM-SCRIP)

This purchase invitation relates to 95,022,641 Ordinary Shares of 25p each in Lonrho Plc ("Lonrho") representing approximately 19.8 per cent of the current issued ordinary share capital of Lonrho (the "Existing Shareholding") together with such further ordinary shares in Lonrho as may be issued pursuant to the rights which may be exercised in respect of the Existing Shareholding to receive ordinary shares in Lonrho in lieu of all or part of the final dividend declared for the year ended 30 September 1988 and the first interim dividend declared for the year ending 30 September 1989 (the "Dividend Shares"). In accordance with the circular from Lonrho to its shareholders dated 16 February 1989 the acceptance of elections to receive ordinary shares in lieu of dividends (which elections could result in the issue of up to a maximum of 2,949,457 Dividend Shares) in respect of the Existing Shareholding ("Elections") and the Existing Shareholding and the Dividend Shares are hereby referred to as the "Lonrho Ordinary Shares". The Lonrho Ordinary Shares in which this Purchase Invitation relates will be sold together with such further shares in Lonrho as may fall to be issued in respect of the Lonrho Ordinary Shares pursuant to a further issue of Lonrho ordinary shares which is subject to the approval of Lonrho shareholders at the Annual General Meeting to be held on 30 March 1989.

Samuel Montagu & Co. Limited, on behalf of Hurstmere and Wilshire, being wholly owned subsidiaries of Bond Corporation Holdings Limited and Bell Resources Limited respectively (the "Bond Group of Companies"), hereby invites, subject to the following terms and conditions, offers for the Lonrho Ordinary Shares.

- Offers pursuant to this Purchase Invitation must be for all the Lonrho Ordinary Shares at the same price per share for all such shares and must be expressed in sterling as a whole number of pence per share (one penny being equal to 100 pence) and the purchase price will be payable by the purchaser.
- The minimum purchase price shall be 385p (cum scrip) for each Lonrho Ordinary Share. Hurstmere and Wilshire may at their discretion be prepared to accept offers in alternative consideration provided that the value of such alternative consideration is in the opinion of Hurstmere and Wilshire greater than the value of the highest cash offer which has been received and, in any event, is not less than 385p (cum scrip) per share. Hurstmere and Wilshire shall in no way be bound to accept offers which are not in cash or to respect of which a suitable confirmation of the availability of cash (if such a confirmation is required by Hurstmere and Wilshire) is not provided.
- The Lonrho Ordinary Shares will be sold free from all liens, charges and encumbrances and with all rights attaching thereto, including the right to receive the 1 for 6 scrip issue referred to above and the right to receive all dividends and other distributions declared, made or paid following 17 April 1989.
- Offers pursuant to this Purchase Invitation must be in writing and received by 5.00 p.m. on 17 April 1989. Offers should be addressed to Samuel Montagu & Co. Limited, 18 Lower Thames Street, London, EC3R 6AE for the attention of the Managing Director, Corporate Finance Division.
- By submitting an offer pursuant to this Purchase Invitation, a person will offer to purchase, at the price stated in such offer all the Lonrho Ordinary Shares on the terms of this Purchase Invitation and any contract resulting from the acceptance of this Purchase Invitation will be governed by and construed in accordance with English law.
- Samuel Montagu & Co. Limited reserves the right to reject any offer made pursuant to this Purchase Invitation not complying in all respects with the requirements of this Purchase Invitation.
- Subject to paragraphs 5 and 11, the offer pursuant to this Purchase Invitation giving the highest aggregate price will be accepted at that price. If more than one valid offer at that aggregate price is made, Samuel Montagu & Co. Limited shall have absolute discretion as to which of such offers to accept or to invite those parties to increase the aggregate price at which they are offering to purchase the Lonrho Ordinary Shares. Hurstmere and Wilshire shall have absolute discretion to refuse to accept any offer which is subject to conditions in addition to that contained in paragraph 11.
- The right is reserved (at the option of Hurstmere and Wilshire) to terminate this Purchase Invitation and to reject all offers pursuant to this Purchase Invitation (but not some only) in the event that, at any time at or before 5.00 p.m. on 17 April 1989, a public announcement is made by a third party or Lonrho of either the acquisition of more than 5 per cent of the issued ordinary share capital of Lonrho or an intention by a third party to make, or of discussions which may lead to, an offer to acquire the whole or any part of the share capital of Lonrho or in the event of any announcement by Lonrho of any proposed material change in the circumstances of Lonrho.
- No person receiving this Purchase Invitation in any territory other than the United Kingdom may treat the mere receipt of this invitation as an invitation to him or should be in any event apply, unless in the relevant territory such invitation could lawfully be made to him and such application could lawfully be made without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to purchase the Lonrho Ordinary Shares pursuant to this Purchase Invitation to satisfy himself as to full observance of the laws of the relevant territory in connection therewith including obtaining any requisite governmental or other consents or observing any other formalities which may be required in such territory.
- This Purchase Invitation is only being made to persons who fall within Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemption) Order 1988.
- In the context of proceedings commenced against the Bond Group of Companies by Lonrho, the Bond Group of Companies has given an undertaking to the High Court in England not to dispose of the shareholding in Lonrho without the prior consent of the High Court. The obtaining of such consent by the Bond Group of Companies is therefore a condition of any sale pursuant to this Purchase Invitation.

GENERAL INFORMATION
1. The Bond Group of Companies is not interested in any Ordinary Shares of Lonrho save for the Lonrho Ordinary Shares which are the subject of the Purchase Invitation.
2. Samuel Montagu is registered in England No. 499482 and is a member of The Securities Association. Its registered office is at 18 Lower Thames Street, London EC3R 6AE.
3. This advertisement does not and is not intended to constitute an offer or invitation to acquire otherwise than pursuant to the Purchase Invitation, or to subscribe for, securities in Lonrho.

New Issue
March 1989
All of these securities having been placed, this announcement appears as a matter of record only.

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SANWA AUSTRALIA LEASING LIMITED
A\$100,000,000
Guaranteed Floating Rate Notes Due 1993
In accordance with the conditions of the notes, notice is hereby given that for the three-month period 9th March 1989 to 9th June 1989 (92 days) the notes will carry an interest rate of 16.6167% p.a. Relevant interest payments will be as follows:
Notes of A\$100,000-A\$4246.49 per coupon.
THE SANWA BANK LIMITED
Agent Bank

Alahli Bank of Kuwait (K.S.C.)
(Incorporated under the Commercial Companies Law of Kuwait)
US\$50,000,000
Notice is hereby given that the Rate of Interest has been fixed at 10.50% and that the interest payable on the relevant Interest Payment Date, September 11, 1989 against Coupon No. 10 in respect of US\$5,000 nominal of the Notes will be US\$271.25 and in respect of US\$250,000 nominal of the Notes will be US\$13,562.50.
March 9, 1989, London
By: Citibank, N.A. (CSSI Dept.),
Agent Bank
CITIBANK

INTERNATIONAL CAPITAL MARKETS

Mixed reception for Chrysler FRN

By Andrew Freeman

DEALS ADMIR: at specific pockets of investor demand dominated new issue activity on Eurobond markets yesterday as syndicate managers were reluctant to tap sectors where demand is uncertain. One deal aimed at the general market, a US\$150m five-year floating-rate note issue for Chrysler Financial Corporation, found a mixed reception.

equivalent to underwriting fees of 25 basis points. IBJ International was the lead manager on a \$300m deal for IBJ Finance. The four-year bonds carry a coupon of 10 per cent and were priced at launch at 101.45 per cent to yield 41 basis points over the equivalent US Treasury. The proceeds

INTERNATIONAL BONDS

were swapped into floating sterling to achieve an attractive funding rate.

An IBJ official quoted the bonds at less 1 1/2 bid, well inside underwriting fees of 1 1/2 per cent. There was strong Far Eastern demand for the 10 per cent coupon, while the lead manager also reported switching activity out of 13 1/2 per cent 1993 bonds, which were trading at a spread of only 37 basis points over US Treasuries.

A seven-year \$150m issue for Kyushu Electric Power was launched by Daiwa Europe. The bonds came with a 10 per cent coupon and were priced at 101 1/2 to yield 58 basis points over the equivalent Treasury. The issue proceeds were swapped into fixed-rate yen.

longer-dated Australian dollar paper from German and some Swiss institutions which wanted to lock away a high yield. The bonds traded within fees at less 1.50 bid, before closing on fees at less 2 bid.

In Germany yesterday, secondary market prices fell across the board. Supranational issues were marked down by 1/4 point in low turnover. The DM300m deal for Hydro Quebec launched by Westdeutsche Landesbank late on Tuesday was trading just outside fees at less 2 1/2 bid.

Although there was steady demand for the Hydro bonds, which were described as fairly priced, traders commented that the issue's performance was depressed by a feeling that there was more paper in the market than there was investor demand.

Tuesday's DM100m issue for Beiersdorf, the pharmaceutical company which makes Nivea products, continued its strong performance, quoted in grey market trading at less 0.50 bid, well inside underwriting fees of 2 1/4 per cent.

In Switzerland, Credit Suisse was the lead manager of the first zero-coupon deal to be launched since mid-1988, a SF200m five-year deal for Mitsui.

The bonds carry a generous investor put option at 108 against a par issue price, and this feature encouraged strong demand. The bonds were trading at less 1 bid, well inside fees at less 1.50 bid.

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NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner. Includes entries for US Dollars, Canadian Dollars, Australian Dollars, Swiss Francs, and Yen.

FT INTERNATIONAL BOND SERVICE

Table listing international bonds with columns: Issuer, Amount, Bid, Offer, Yield, etc. Includes sections for US Dollars, Yen, and various international bonds.

Citicorp postpones \$500m offer

CITICORP, the US bank, has postponed a novel \$500m offering of credit-card securities because of changing conditions in the options market and a shift in the Treasury yield curve.

Citicorp had planned to sell the deal, with a new feature allowing it to reset the rate in two years, through an underwriting group led by Salomon Brothers.

However, according to Mr Jerry Wigdortz, managing director and head of the structured finance group at Salomon, in the few weeks since the deal was conceived the options market and yield curve shifted unfavorably.

"We would have had a transaction if the shape of the curve hadn't changed," Mr Wigdortz said. "It didn't seem right to proceed with the deal. We wouldn't want to force it on the market."

Bankers Trust buys seat on NZ exchange

BANKERS TRUST, the US banking group, has bought a seat on the New Zealand Futures Exchange, AP-DJ reports from Wellington.

The price was not disclosed, but the exchange said it reflected sums paid previously for seats, which have ranged between NZ\$200,000 and NZ\$300,000 (\$215,000).

Bankers Trust is already an affiliate member of the exchange. Trading members hold shares in the exchange and have direct access to its automated trading system, while affiliated members are not shareholders but carry out transactions through trading members.

Bankers Trust's membership is subject to approval from the exchange's directors and trading members.

FINANCIAL TIMES CONFERENCES

RETAILING IN THE 90s - The Role of Technology

London, 20 & 21 March 1989

Retailing in the 90s and the growing importance of new powerful technologies and innovation for retailers will be the subject of the Financial Times' latest conference on the Retail Industry.

The retail sector has enjoyed a boom in recent years but changes in the industry and a moderation in the rate of growth in consumer expenditure indicate that times are getting tougher. Innovations abound in retail technology and, with increasing competition and cost pressures, technology is increasingly playing a crucial role in assisting retail management to know more about their customers and what they want to buy and in providing more efficient communication with warehouses and with suppliers.

Speakers who will be taking part in this timely conference include:

- Mr James Gulliver, Mr Richard Allen, Mr Jeremy Soper, Mr Len Fletcher, Mr Robert Bramley, Mr Ian Simons, Mr Gareth Williams, Mr Richard Weir, Mr Paul Fuller, Mr John Thompson, Mr John Leighfield, Mr Desmond Pitcher, Mr Colin Gunner.

Retailing in the 90s - The Role of Technology

Please send me further details



Complete and return to: The Financial Times Conference Organisation, 126 Jermyn Street LONDON SW1Y 4LL

Registration form with fields for Name, Position, Company, Address, Tel, Fax, Tlx, Type of Business.

COMPANY NOTICES

NOTICE TO HOLDERS OF WARRANTS

DAICHI SEIYAKU CO., LTD. U.S.\$150,000,000 4 7/8 per cent. Bonds due 1993 with Warrants

Pursuant to Clauses 3 and 4 of the Instrument, dated 2nd March, 1988, the following notice shall be given:

At the meeting of the Board of Directors of Daichi Seiyaku Co., Ltd. (the "Company") held on 28th February, 1989, a resolution was adopted for the issue of new shares by way of free distribution, the particulars of which are given below.

PUBLIC NOTICES

LONDON BOROUGH OF BARNET EDUCATION COMMITTEE APPOINTMENT OF CO-OPED MEMBERS

The Education Committee of the Council of the London Borough of Barnet in the municipal year 1989/90 will consist of 22 members of the Council together with 10 co-opted members.

BANQUE NATIONALE DE PARIS Floating rate note issue of USD 400 million September 1989/91

The rate of interest applicable for the period beginning 6th March 1989 and set by the reference agent is 10 1/2% annually.

LEGAL NOTICES

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CONTRACTS & TENDERS

REPUBLIC OF THE IVORY COAST

Tender No. 2935/DMP

1. The National Telecommunications Office of the IBRD, in various currencies, to finance the cost of the project concerning the refurbishing of the equipment and the strengthening of the maintenance of services.

It is planned that a portion of the funds granted for this loan will be used to carry out payment for a project covering the modernisation and extension of the urban telephone network of Northern ABIDJAN.

2. The National Telecommunications Office invites, with this Tender, those candidates who are allowed to take part to present their bids under sealed envelope for the modernisation and extension of the urban telephone network of Northern ABIDJAN.

3. The candidates who are allowed to bid can obtain further information and examine the Tenders files in the Office of the Chef de Services des Marchés, located on the 12th floor of POSTEL 2001, door 12-07. Phone: 34.67.61 or 34.67.63 - Telex No. 23790 or 23750, ABIDJAN.

4. Any candidate who is allowed to bid and who is interested in the present Tender can buy a complete set of Tender documents, by writing to the above-mentioned Department, or after consulting the Charge Books, for a payment of around 400,000 CFA francs, which will not be paid back (by certified cheque or postal money transfer).

5. Each bid must be accompanied by a deposit on tender of 1.5% of the total amount of the bid. This deposit must be put forward at the same time as the Bids to the Services des Marchés, Immeuble POSTEL, 2001, door 12-07, ABIDJAN-CI at the latest on the 18th of April 1989 11.00 a.m. imperatively.

6. The files will be opened in the presence of the bidding representatives who wish to be present at the opening on the 18th April 1989 at 3.00 pm at La Rotonde de la Cité Financière, in ABIDJAN-PLATEAU.

THE AUTOMATIC IDENTIFICATION INDUSTRY

The Financial Times proposes to publish this survey on 10th May

For a full editorial synopsis and advertisement details, please contact: Jonathan Wallis on 01-248 8808 ext 3565

or write to him at: Bracken House 10 Cannon Street London EC4P 4BY



US Treasuries lethargic in absence of economic news

By Karen Zagor in New York and Katharine Campbell in London

GOVERNMENT BONDS

LETHARGY continued to dominate the US debt market yesterday in the absence of significant economic news to guide investors and traders.

US Treasury bonds drifted in mixed early trading and were quoted as much as 1/4 of a point lower before rallying somewhat in the early afternoon. At mid-session, the Treasury's benchmark 30-year long bond was up 1/8 point at 97 1/2, yielding 9.07 per cent.

The Fed funds rate slipped during the morning to 9 1/2 per cent for technical reasons - the market did not believe it indicated any loosening of policy by the central bank.

When the bank entered the market, funds were trading at 9 1/2 per cent. Economists at Griggs & Santow attributed the soft rate to the strike at Eastern Air Lines, stormy weather on the East Coast and the fact that this period tends to be relatively comfortable, with a good distribution of reserves.

In the New York foreign exchange market, the dollar started the day on a soft note in dull trading. However, an announcement by Mr Robert Heller, a Federal Reserve Board governor, stating that global trade imbalances could not be adjusted without reducing Japanese and

West German trade surpluses, caused the dollar to firm. At mid-session, the dollar traded at Y128.70 from an overnight high in Tokyo of Y128.88 and DM1.862 from a morning high in Europe of 1.8555. The Fed's desire to reduce inflation received support in Congress from Mr Michael Boskin, chairman of President Bush's Council of Economic Advisors.

Mr Boskin also told Congress that he believed agreement on a credible deficit reduction package would lead to a substantial reduction in interest rates.

SEORT covering in Tokyo was the order of the day after some 10 days of consecutive declines. The 10-year June futures contract finished at 103.87, but prices drifted back over the day. Dealers did not believe this signalled a fundamental reversal of recent trends.

Opinions are divided as to whether the Bank of Japan will raise the discount rate before the end of the fiscal year, but Tuesday's lower repurchase rate in Germany helped dampen gloom on that front, at least for a while.

LEADING European markets, together with central monetary authorities, are playing a waiting game. A generally unexpected hike in interest rate hikes, particularly by the Germans, has left investors guessing as to the timing of the next move

and are consequently unprepared to commit funds in such a climate. Most markets were correspondingly dull. The UK government bond market closed almost unchanged on the day, with the long gilt future on Liffe at 98.10, just 1/4 of a point stronger than the previous close. The fall in prices on Tuesday afternoon had led to a 1/4 point correction at the opening, but prices drifted back over the day. With no important domestic economic indicators due for release this week, most dealers are waiting for the US employment report on Friday.

IN GERMANY, the Bundesbank's allocation of DM15.5bn of funds under repurchase agreements caused prices to tick up briefly in the morning, but they soon drifted back down the day. The allocation, which represented a DM500m draining from the market, was in line with or even slightly better than traders' expectations. However, by the regular morning fixings the market lacked any support so that bonds were pegged up to 60 pennings lower than yesterday.

The recent 6 1/2 per cent 10-year bond was fixed 15 pennings lower, so that paper now yields 6.88 per cent. Stocks maturing in 1987 were pegged between 45 and 50 pennings lower, to yield 6.92 or 6.93 per cent.

On Liffe, the June future ended at 93.37, compared with 93.42 the previous day. JSP is considering asking for collateral worth 105 per cent of the face value of borrowed bonds. Lenders who receive such collateral in cash will have to pay interest on the money.

Banks are opposed to allowing securities houses to be bond lenders as any receipt of cash as collateral on which interest is paid would infringe on the banks' business of deposit-taking. However, the ministry said paying interest on collateral was reasonable. "In future, we'd like to see the market covering all straight bonds traded by dealers, but it will start with government bonds," it said.

BENCHMARK GOVERNMENT BONDS table with columns: Coupon, Bid Price, Price, Change, Yield, Week, Month

JP Morgan to sell Chile units

J.P. MORGAN, the New York bank holding company, said yesterday it had agreed to sell its Chilean subsidiary to Ned-erlandsche Middenstandsbank, the Dutch bank. The sale, terms of which were not disclosed, includes Morgan's commercial bank operations, its Santiago-based securities dealer and its financial services company. It is to concentrate resources in leading financial centres.

Japan sees early launch of repo market

JAPAN WILL launch a bond borrowing/repurchase market as early as April to allow more foreigners access to the yen bond market, Renter reports from Tokyo.

The Finance Ministry promised last September it would create the market and allow short-selling on a settlement date basis as well as introduce, from April, an auction system to the primary government bond market.

Mr Tatsuo Tajima, president of Japan Securities Finance (JSF), said: "We would like to design the market to make it convenient for both foreign and domestic participants."

The market would allow both direct dealing and matching of orders by JSF, the ministry said. JSF is expected to offer its screen display, facsimile machines and telephones to provide borrowing rate quotations to which participants dealing directly would be able to refer.

All financial institutions, including banks, brokerages and insurers, are expected to be participants. Securities houses will be able to act as lenders, allowing them matched books - trading accounts that borrow securities at one rate and lend them at another, earning the difference between the rates.

Borrowing/lending periods, lending fees and discounting standards have yet to be set. The ministry expects transactions to be permitted without collateral if the creditworthiness of both sides is high. JSF is considering asking for collateral worth 105 per cent of the face value of borrowed bonds.

Insider scandal triggers reform

Paul Betts on the French stock market watchdog's sharper teeth

The Pechiney insider trading scandal, more than any other factor, has been responsible for the toughness of the reforms of the Commission des Operations de Bourse (COB), the French stock market watchdog, which were adopted by the Socialist Government yesterday.

The scandal erupted in November after the acquisition by the French nationalised aluminium group of American National Can. Investigations by the US Securities and Exchange Commission (SEC) after the new bill passed through the National Assembly, said yesterday the principal aim of the new bill was to make sure that the house did not become a jungle where the small investor is at the mercy of the big operators.

Mr Louis Le Penec, the official government spokesman, said yesterday the principal aim of the new bill was to make sure that the house did not become a jungle where the small investor is at the mercy of the big operators.



Jacques Chirac: introduced privatisation programme



Pierre Berégovoy: committed to financial liberalisation

by enabling it to conduct searches, enforce financial sanctions, block bank accounts and confiscate company assets. Some French financial market commentators suggested yesterday that the COB would ultimately have even greater powers than the American SEC after the new bill passes through the National Assembly.

The Government also approved yesterday a series of related measures to bring French takeover regulations more in line with UK and US practices, making it much more difficult to launch partial takeover bids in France. Investors or groups of investors will now have to launch a full bid once they have accumulated more than one third of the voting rights in a company.

takeover battles all contributed to the latest reform of the COB and the country's takeover regulations. But the toughness of the new measures has surprised even some of the most ardent campaigners for stricter French stock market rules.

Mr Louis Le Penec, the official government spokesman, said yesterday the principal aim of the new bill was to make sure that the house did not become a jungle where the small investor is at the mercy of the big operators.

enrich the French markets and turn Paris into a more competitive international financial centre. The process was accelerated between 1986 and 1988 by a sweeping privatisation programme under the right-wing Government of Mr Jacques Chirac.

But although the Socialists froze the privatisation programme when they returned to power last summer, Mr Berégovoy has remained committed to an ongoing process of financial liberalisation in France.

However, the liberalisation of the house exposed in broad daylight the weaknesses of the supervisory controls of the French market.

Even before the insider trading scandals erupted last autumn, the deficiencies of the market's regulatory system had become increasingly obvious and it was clear that the rapid evolution of the financial markets.

A big jolt came after the stock market crash of October 1987. The weaknesses and growth pains of the system were eloquently exposed when it was revealed that the French stock exchange was hit with FF1.5bn (\$266m) in losses on the new French futures market.

Elders wins New Zealand bank licence

By Gordon Grant

ELDERS DLK, the Australian brewing and investment group, has gained a banking licence in New Zealand, achieving an ambition that has been denied in its home market. The New Zealand Reserve Bank said yesterday that Elders Merchant Finance, a wholly owned subsidiary of Elders Finance Group, had been granted a registered bank licence. This brings to 17 the number of players in New Zealand's

recently deregulated banking sector. Elders Finance, itself a fully owned subsidiary of Elders DLK, is Australia's largest non-bank financial institution, and has strong links to the rural sector. However, because of regulatory complications, the Australian Reserve Bank opposes the extension of banking licences to offshoots of industrial groups.

In New Zealand, Elders has a foreign exchange and fund

management operation and last year moved to expand its client base through the acquisition of Francis Allison Symes, a stockbroking house. Elders Merchant Finance contributed AS10.7m (US\$8.7m) to group net profits in the year to last June.

It is to change its name to Elderbank - a name the group had planned to use for Elders Finance worldwide if it was granted a bank licence. Mr Peter Caplan, managing

director of the Wellington unit, suggested yesterday, however, that the approval of a New Zealand banking licence provided largely local opportunities.

"He said the unit would build its future base by marketing its existing core activities of foreign exchange, domestic Treasury, capital markets, corporate finance and stockbroking to a wider cross-section of clients in New Zealand."

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Index No., Index, % Change, etc.

Table with columns: FIXED INTEREST, PRICE INDICES, etc.

LONDON MARKET STATISTICS

Table with columns: RISES AND FALLS YESTERDAY, British Funds, etc.

LONDON RECENT ISSUES

Table with columns: Issue, Price, etc.

FIXED INTEREST STOCKS

Table with columns: Issue, Price, etc.

RIGHTS OFFERS

Table with columns: Issue, Price, etc.

A financial dividend is payable based on previous estimates of dividend rate paid to holders of ordinary shares...

LONDON TRADED OPTIONS

Large table with columns: Issue, Price, etc.

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UK COMPANY NEWS

March sells Grand Prix activities

By John Griffiths

MARCH, the loss-making racing cars concern, plans to sell its Formula One Grand Prix operations to Japanese entrepreneur Mr Akira Akagi, as part of efforts to restructure the group financially and retain its quotation on the London Stock Exchange. The move comes less than three weeks after Mr Akagi and his Leyton House industrial property group, March's principal grand prix sponsor, withdrew abruptly from an agreement in principle to restructure March by taking a controlling interest and pumping in fresh capital. Mr Akagi said he pulled out of the takeover after learning at the last minute of "new information" about March's affairs - understood to have been connected with March's intended supply of its current

grand prix engine technology to another team. His interest in March is focused mainly on its grand prix activities, although Formula 3000 racing car operations and March's wind tunnel will also form part of the planned sale. No details of likely price are emerging, although the three activities between them represent a substantial asset. March, having been a relative also-ran in grand prix fields until now, stands to gain substantially from a ban on turbocharged grand prix cars imposed from this year. March would then be left mainly with its contract engineering activities, its troubled IndyCar racing car business which, however, has recently received a boost from tie-ups with Porsche and Alfa Romeo, and a

plastic composites subsidiary. It was announced yesterday that in order to prevent any conflict of interest, Mr Akagi has resigned the March directorship he took up in December. March's shares will remain suspended at 50p until a deal with Mr Akagi is concluded, probably before the end of this month. Meanwhile, Mr John Cowan, the March chairman, and his board are continuing negotiations with banks and institutions aimed at finding alternative financing for the group, while retaining its independence. Mr Cowan, who is also chairman of United Industries group, is said to be optimistic about obtaining loans in view of March's short-term cash flow problems and longer-term

funding. Under the offer recently withdrawn by Mr Akagi, he would have paid 50p cash per share for the 38.5 per cent of March not already held either by himself (20 per cent) or founder Mr Robin Herd and his family (15 per cent) - a deal which would have valued March at 27.5m. The company is expected to report a pre-tax loss of 2.5m for its financial year ended last October. At the time Mr Akagi first took a stake in the company, at the end of 1987, March's net assets were shown at 24m. Subsequently, Mr Akagi injected 2m into the company but last year's losses are understood to have reduced March's net asset value to between 23m and 23.5m.

European growth lifts CRH 38% to £63m

By Andrew Taylor, Construction Correspondent

PRE-TAX PROFITS OF CRH, the international building materials group and one of Ireland's largest companies, rose 38 per cent to £63.3m (£55.93m) in the year to December 31. Turnover increased from 2707.12m to 2914.08m, while earnings per share rose from 13.74p to 17.24p. Almost 80 per cent of profits are now earned outside Ireland compared with less than 10 per cent 12 years ago. Profits last year rose in all the company's principle markets: the US, UK, continental Europe and Ireland. The biggest increase was in Europe where trading profits more than doubled to £17.68m helped by an exceptional performance from the acquisition last year of Verwo, the Dutch concrete products group. Profits from Spain, however, were disappointing due to problems of supplying power station fly-ash used in CRH's cement operations in the north of the country. In the UK, trading profits rose 35 per cent to £17.05m reflecting new acquisitions and increased demand from a buoyant UK construction market, particularly in southern England. Mr Tony Barry, chief executive, said the US market, where profits rose by only 13 per cent to £22.08m, remained mixed. Significant sales and profits growth in Pacific and north eastern states offset declines in energy dependent mountain and southern states, he said. CRH's domestic business - in decline since 1980 - staged a recovery last year, increasing profits by 12 per cent to 21.13m. Mr Barry said the recovery in the Irish construction industry should mean a further increase in profits this year. Total dividends for 1988 rose by 12.5 per cent from 4p to 4.5p, with a second interim of 3p.

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Higgs & Hill sells its stake in R&T

By Nikki Tait

HIGGS & HILL, the building and property group, has sold its 14.9 per cent stake in R&T to a consortium of investors. The consortium, comprising Singapore Land, Singapore Land is one of the largest property groups in the island state, and has a market capitalisation of more than \$300m. The shares were sold at 860p after a period of speculation that Singapore's interest "was brought to our attention" and that, in the face of an attractive offer, it had decided to accept. The building group first revealed its stake in R&T in October. This came just days after OVS Investment, an Australian company controlled by Mr Dick Pratt, sold a 9.9 per cent interest, and H&H confirmed that part of its holding had come from this source. The shares were originally bought at around the 300p level. Yesterday H&H suggested that its gross profit on the stake, after financing costs, was around £1.4m. R&T, meanwhile, said that it welcomed Singapore Land's interest. It said that the Singapore company had consulted the board "prior" to acquiring the holding, and that, far from objecting, directors had encouraged the purchase. Mr Nigel Dummett, managing director, added that he did not expect Singapore Land significantly to increase its interest, nor to have boardroom representation. Instead, he stressed the possibilities for a working relationship between the two companies. He said that R&T had worked for Singapore Land in the past - citing the development of the Marina Centre as an example - and maintained that the UK group might be able to offer project management skills. Mr Dummett said that he understood Singapore Land was seeking openings in Europe and had been looking to tie in with a UK contractor,

Takeovers boost Victaulic

By John Riddling

VICTAULIC, the plastic pipe company which was bought by its employees from British Steel in 1983 and which came to the market last May, yesterday announced pre-tax profits for 1988 of 27.56m, up 16 per cent from the 1987 figure of 23.52m. Turnover, assisted by last year's acquisitions, rose by 21 per cent to 582.5m. Excluding the acquisitions - Insoil Holdings and Britpipe in February, and the European pipe couplings business of Dresser Industries in December - the increase was 18 per cent. Earnings per share increased 15 per cent to 25.3p (21.5p) and a final dividend of 5.5p was proposed. This, together with the interim dividend of 3p gives a total for the year of 8.5p and compares with a total of 7.5p for 1987. According to Mr David Stewart, director, growth had been achieved throughout the company. Stewart and Lloyds, supplier of polyethylene pipes, enjoyed strong demand from the gas industry,

while Viking Johnson saw strong growth in the sale of pipe couplings. Mr Stewart said that because of the buoyant market conditions capital expenditure had been sharply increased to 23.5m from 22.2m in 1987. Much of the increase was accounted for by capacity expansion at Stewarts and Lloyds. High priority is being given to expansion in Europe and this is reflected in the purchase of Dresser's pipe couplings business - now renamed Helden Couplings. High priority is being given to expansion in Europe and this is reflected in the purchase of Dresser's pipe couplings business - now renamed Helden Couplings. High priority is being given to expansion in Europe and this is reflected in the purchase of Dresser's pipe couplings business - now renamed Helden Couplings.

strong this year with its medium density polyethylene piping expected to win an increased share of the market and with British Gas extending its network in its rural areas. Benefits should also accrue from the privatisation of the water authorities and there is the possibility of relatively lucrative contracts from the Channel Tunnel. The only concerns facing Victaulic are the possibility of higher raw material prices and - with 70 per cent of its turnover coming from the gas and water industries - that its business may prove too narrowly based in the longer term. However, the company seems aware of this and is seeking to develop new products (particularly in the area of technical plastics), and expand its markets. In particular, the purchase of Dresser's European pipe business provides a useful European base. Victaulic's good prospects are reflected in profit forecasts ranging from 23.6m to 23m giving a prospective multiple in the region of 10.5 to 11.

EC inquiry into GEC/Siemens bid encourages Plessey

By William Dawkins in Brussels

PLESSEY, the UK electronics group, yesterday said it was "encouraged" by the progress of the European Commission's inquiry into the hostile £1.7bn consortium bid from GEC of the UK and Siemens of West Germany. Mr Stephen Walls, Plessey's managing director, said: "We think we have a strong case to answer here and the commission recognises this." He was speaking after a meeting with the commission competition authorities. They are due to conclude an inquiry in the next few weeks into whether or not they should block the joint bid for Plessey on the grounds that it contra-

venes EC rules against anti-competitive agreements. Mr Walls said he expected that the commission's eventual decision would be closely timed with that of the UK Monopolies and Mergers Commission, which also launched its scrutiny in mid-January. The Brussels inquiry is focusing on whether the Anglo-German bid could be cleared under the clause that allows anti-competitive agreements which contribute to technical or economic progress. Plessey launched a complaint against the bid in Brussels shortly before losing an unprecedented attempt to use

EC competition rules obtain a UK court injunction against the takeover. Plessey's case rests on its claim to be the only big EC electronics company with full vertical integration from chip-making through data networking to software services. It has argued that breaking up its structure via a takeover would harm the community's strategic economic interests, implying that Brussels should bear industrial policy in mind when making competition decisions. "We believe that these are real European interests, affecting the ability of Europe to compete against the US and Japan," said Mr Walls.

HARRISONS MALAYSIAN PLANTATIONS BERHAD

(Incorporated in Malaysia)

INTERIM REPORT FOR THE NINE MONTHS TO 31ST DECEMBER, 1988

The Directors announce that the unaudited results for the nine months to 31st December, 1988 were:

	Group			Company		
	1988 MS'000	1987 MS'000	%	1988 MS'000	1987 MS'000	%
Turnover	443,551	381,855	16	26,035	19,704	32
Investment and other income	8,006	9,066	(12)	2,059	2,318	(11)
Operating profit	161,673	80,616	101	10,195	6,309	62
Associated Companies	4,029	2,868	40	-	-	-
Profit before taxation	165,693	83,484	98	10,195	6,309	62
(See Note 1)						
Taxation	45,107	25,670	78	3,456	762	354
(See Note 2)						
Profit after taxation but before extraordinary items	120,586	57,814	109	6,739	5,547	21
Minority interests	1,501	240	325	-	-	-
	119,085	57,574	107	6,739	5,547	21
Extraordinary items	1,982	(1,784)	211	-	(2,920)	-
(See Note 3)						
Profit attributable to shareholders	121,067	55,790	117	6,739	2,627	157

NOTES
 (1) After charging:
 - Interest 282 293
 - Depreciation 17,219 17,693
 52,072 28,802
 (7,619) (3,436)
 654 304

(2) Taxation includes:
 - Current 52,072 28,802
 - Deferred (7,619) (3,436)
 - Associated Companies 654 304

(3) The extraordinary items comprise the following:
 West Malaysian credit 1,870
 Surplus on liquidation 112
 Profit on sale of investments 691
 Profit on sale of land 17
 Loan to an associated company written-off (2,920)
 1,982 (1,784) (2,920)

	1988 Group	1987 Group
Profit after taxation but before extraordinary items as percentage of turnover	27.2%	15.1%
Profit after taxation but before extraordinary items as percentage of shareholders' funds	6.5%	3.3%
Earnings per share (in sen)	28.2	13.6
Net tangible asset backing per share	\$4.31	\$4.09

The earnings per share and net tangible asset backing per share figures above are based on the issued share capital as at 31st December, 1988, comprising 422,991,214 ordinary shares of \$1 each.

HARVESTED CROPS - TONNES		
	1988	1987
FFB	709,705	639,389
Palm oil	146,558	134,278
Palm kernels	43,641	39,445
Rubber	36,700	38,996
Coconut	5,758	5,808
Cocoa	5,424	5,372

The significant increase in profit is mainly attributable to higher commodity prices for palm and rubber products coupled with the increase in palm production. The results for the full year will show a material increase in profit over the previous year.

BONUS ISSUE
 On 20th February, 1989, at the Extraordinary General Meeting held, the shareholders approved the bonus issue and increase in authorised share capital.
 Approvals in principle were received from The London Stock Exchange on 17th February, 1989, The Kuala Lumpur Stock Exchange on 23rd February, 1989 and The Stock Exchange of Singapore on 27th February, 1989, for the listing and quotation of the additional 422,991,214 ordinary shares of \$1 each arising from the bonus issue.
 As announced on 23rd February, 1989, the last day for lodging transfers for bonus entitlement will be at the close of business on 13th March, 1989.

DIVIDEND
 The Directors have declared an interim dividend in respect of the financial year ending 31st March, 1989 of 5 sen per share, less tax, amounting to \$27,494,429 payable on 6th June, 1989, on the enlarged capital of 845,982,428 shares as a result of the 1 for 1 bonus issue stated above (last year, 1st interim, 6 sen per share on 422,991,214 shares).
 The last day for lodging transfers will be at the close of business on 10th May, 1989.

COPIES OF THE COMPANY'S INTERIM REPORT
 A copy of the Company's Interim Report will be posted to shareholders on 14th March, 1989. Copies will also be available from the Company's registered office and the Branch Registrar, Baring Brothers & Co. Limited, Bourne House, 34, Beckett Road, Kent BR3 4TU, United Kingdom.

KUALA LUMPUR, 8th March, 1989
 By Order of The Board
 Mohd. Nadir Mahmud
 Secretary

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UK COMPANY NEWS

Increased contribution from UK businesses
GKN beats expectations with 21% rise to £177.6m

By Claire Pearson

GKN, the automotive components and engineering group, bettered market expectations with a 21 per cent advance in pre-tax profits to £177.6m in the year to December 31.

Assisted by the sale of Allied Steel & Wire for £180m at the end of 1987, and higher UK interest rates, net payable interest fell more than was expected, from £29.2m to £21.1m, boosting the taxable result.

Mr David Lees, chairman, stressed the increasing strength of the group's balance sheet with the gearing ratio falling from 37.3 to 36.6 per cent. The directors have proposed that the final dividend be lifted to 10.75p (9p), making 17p (14.5p) for the year.

Earnings per share rose 21 per cent to 44p (34.7p), helped by a fall in the tax charge from 34 to 32.1 per cent. This was due to an increased contribution from UK businesses, where the effective tax charge is only 10 per cent. This now accounts for 37 per cent (30 per cent) of group profits before interest and tax.

Mr Lees said markets for GKN's products had been stronger than expected during the second half of the year.

The company had "underperformed" as strongly as it left 1988, he said, but added that it was extremely difficult to predict what trading would be like more than a couple of months ahead.

He pointed to the increased trading profits achieved by the industrial services businesses, which rose to £47m (£37m). Vigorous development of this division had meant it now accounted for 30 per cent of the group surplus.

Divestments and adverse



David Lees - markets had been stronger than expected

currency movements meant sales came out slightly lower at £2.87bn, against £2.41bn in the previous year.

Automotive and defence operations achieved trading profits of £100m (£92m), despite adverse exchange rates and a much reduced contribution from two businesses sold early in 1988.

Defence improved substantially with the Warrior tank in full production throughout the year. Sales of the passenger car business worldwide benefited from strong demand. Pressure on continental European prices was partially offset by cost reduction programmes.

The trading profits of auto-parts distribution and services were static at £11m, in spite of both adverse currency movements and substantial divestments.

Related companies put in £41.2m (£37.3m) on sales of £361.6m (£306.9m). GKN's acquisition last October of a 22

per cent stake in Westland, the helicopter company, at a cost of about £48m had no significant effect on 1988 results.

Mr Lees said he did not expect GKN to divest its 39.1 per cent interest in United Engineering Steels within the next two years.

COMMENT

These results not only beat market expectations but got better on closer scrutiny, with virtually every financial ratio showing encouraging improvements. Almost all areas should advance further this year, pushing pre-tax profits up to £300m or even beyond, although new shares issued especially in connection with the recent Tokyo listing will produce a less impressive earnings per share advance on a similar tax charge. The company's enthusiasm for Westland continues to provoke some concern, and of course the shares are overshadowed by concerns about the automotive sector. Nevertheless, with them standing on a prospective p/a of a touch above 8, and providing an above-average yield, the idea is to buy on weakness.

Enlarged Nestor advances to £4.7m

IN ITS first full year of listing, Nestor-BNA produced record results in 1988 and continued to expand through organic growth and acquisitions.

On a restated basis, turnover of this nursing agency and nursing homes group rose from £53.7m to £55.86m and operating profit from £3.86m to £5.05m.

At the pre-tax level, profit was up 44 per cent to £4.71m (£3.27m). Mr Richard Burton, chairman, said the year included first time contributions from South-Grant Organisation and New Hall Hospital, the two largest acquisitions. Without those, profit would have been £3.7m.

He added that the current year had started well, and he was confident of significant growth.

Earnings for 1988 came to 7.7p (5.9p). The final dividend is 1.7p for a total of 2.5p.

The split of operating profit showed (in 2000s): nursing agencies £3,008 (£2,665); hospitals and nursing homes £1,132 (£881); specialist personnel £774 (£634); doctors' deputising services £577 (£454). Central costs were £429 (£174).

Wickes surges to £16m and sales buoyant

By Maggie Urry

WICKES, the DIY retailer which last September acquired the Hunter timber group for £288m, yesterday reported substantial growth for 1988, with sales up from £178m to £361m and pre-tax profit from £5.62m to £16.3m.

Excluding the Hunter purchase, the Wickes chain showed a sales increase of 22.5 per cent to £316m and operating profits up 36.5 per cent to £13.1m. Sales in comparable Wickes' stores in the UK rose 10 per cent and in Belgium and the Netherlands they were up 8 per cent.

Mr Henry Sweetbaum, chairman and chief executive, remarked "if the Hunter group had been a part of Wickes for the whole of 1988, Wickes' turnover for the year on a pro-forma basis would have been

£680m." Hunter's results were included from September 17. At the time of the acquisition it was forecast to make a pre-tax profit for 1988 as a whole of £26m.

Mr Sweetbaum said he was pleased with the purchase of Hunter, though there was work to be done in bedding it down.

He said the effect of higher interest rates on consumer expenditure did not seem to be causing any slowing in group sales. Wickes' sales of its higher cost "projects" packages which allow the DIY enthusiast or small builder to assemble conservatories, porches and other major jobs, were going well, he added. For instance, 75 customers had asked for plans for a new project, a £12,000 covered, heated

swimming pool, in only a few weeks.

About 60 per cent of the group's sales goes to the repair, maintenance and improvement market, Mr Sweetbaum said. Sales could have been helped by the mild winter weather, but research suggested that people who had not moved house in the last few years still had plenty of disposable income.

Pre-tax profits were struck after a doubling of interest charges to £6.2m and included property profits of £1m (£247,000). Earnings per share, fully diluted, rose 40.5 per cent to 16.3p, helped by a lower tax charge. The final dividend is 2.81p, as forecast at the time of the Hunter deal, to make the total 3.5p (1p).

COMMENT

Wickes' management retains the confidence of the City, although investors are still reeling from the size of the Hunter acquisition, paid for in shares. Despite Mr Sweetbaum's reassurance, there is still concern that DIY sales will be hit by higher interest rates at some point. But Wickes seems to have found a genuine niche in the DIY market at the heavier end, while others are selling pots of paint. Wickes is achieving far higher sales per square foot from patio doors, central heating systems and garden sheds. Profits should top £40m this year with the prospective p/e a little over 10, on the shares at 229p, up 4p yesterday. Despite faith in the management, the shares could be dull in the short term.

Instem recovers strongly with profits at £681,000

By Claire Pearson

INSTEM, the USM-quoted control equipment manufacturer whose profits slumped in 1987, recovered strongly in the 53 weeks to end-December 1988.

Pre-tax profits doubled to £681,000 while earnings per share rose from 4.5p to 9.7p. The results marked a reversal of several years of disappointing figures which had seen pre-tax profits fall from

£372,000 in 1985 to £338,000 in 1987.

The improvement was scored on a turnover increase of only 9 per cent to £7.56m (£6.92m).

Following a business review in 1987, Instem now supplies systems for data acquisition, monitoring and control, and specialist electronic services to five main sectors: power generation, water management,

industrial processing, mining and, to a lesser extent, scientific research.

Supply of work from these customers was plentiful said Mr David Gare, Instem's chairman. Business placed with the company during the year totalled £8.5m, spread fairly evenly between the main customers. This placed Instem in a

strong position for the current year, he said. But he expected some diminution in pre-tax margins.

The final dividend is set at 1.5p, making an unchanged 2.5p for the year. Dobson Park Industries, the mining equipment and engineering group, holds about 37.5 per cent of the shares.

Our performance speaks for itself.

BICC's 1988
pre-tax profits increased by 22% to £156 million.
Earnings per share improved by 29% to 38.4p and have now doubled in the last five years.
Increase in final dividend of 25% to 11.25p.



ENGINEERING TOMORROW'S WORLD

BICC plc, Devonshire House, Mayfair Place, London W1X 5FH.

The contents of this statement, for which the Directors of BICC plc are solely responsible, have been approved for the purposes of Section 57 of the Financial Services Act 1986 by Arthur Andersen & Co. as an authorised person.

STARS III Series II Securities Transferred and Repackaged Limited DM 375,000,000. Deutsche Mark Floating Rate Notes due 1998. In accordance with § 14 of the Terms and Conditions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 7.06127% p.a. for the Interest Period from March 9, 1989 to September 11, 1989 (186 days). Interest accrued for this Interest Period and payable on September 11, 1989 will amount to DM 365.86 per DM 10,000 - principal amount. Interest Determination Bank: J.P. Morgan GmbH Frankfurt am Main

GRANVILLE SPONSORED SECURITIES table with columns: High Low, Company, Price, Change, Div (p), Yield %, P/E. Includes companies like Am. Intl. Ind. Company, Am. Intl. Ind. Co. Inc., BNS Design Group (US\$), etc.

LG INDEX LTD, 911 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/6699. An AFBD member. Reuters Code: IGIN, IGI0. FT 30 Mar. 1731/1740 +6 Jun. 1767/1776 +6. FTSE 100 Mar. 2094/2104 -1 Jun. 2157/2147 -2. WALL STREET Mar. 2300/2312 +10 Jun. 2329/2343 +10. Prices tabulated 5m and change is from previous close at 9pm.

PUBLIC WORKS LOAN BOARD RATES table with columns: Term, Rate, etc. Effective March 8. Includes rates for 1, Over 1 up to 2, Over 2 up to 3, etc.

MANAGEMENT: Marketing and Advertising

Market research in the UK

A preoccupation with predators

Antony Thorncroft finds the industry has a broader base - and a certain complacency

The acquisition of market research companies has become as popular in the UK as the research they produce...



ONE LAST QUESTION THEN - WOULD YOU SPY CONSUMER RESISTANCE TO MARKET RESEARCH IS GROWING?

companies have developed a continuous relationship with a research supplier...

retail sales, the testing of new products, and advertising effectiveness...

There are weak spots - industrial research has never really got off the ground in the UK...

The largest specialists in the field, grouped into the Association of Market Survey Organisations...

The research companies have managed in appeal in a new generation of clients...

It must also worry market researchers that few client

For example, next year the BARB contract is an exception...

In the meantime the research industry is concentrating on the other side of the equation...

So the Market Research Society has designated the week beginning May 22 as 'Market Research Week'...

So far technology has not transformed research - even the telephone...

It must also worry market researchers that few client

The value of a field force

Philip Rawstone explains why companies increasingly use substitute salespeople

The field marketing industry - which provides trained sales forces for companies on contract - has more than tripled in size in the UK...

Salary and related costs - bonuses, commission, pension contributions and National Insurance - amount to £16,200...

There are large sectors of the trade we don't call because there is no need to...

And 'bang', we could cover the trade instantaneously...

There are still many smaller units, too, where manufacturers can influence product merchandising...

There can be disadvantages in using an outside service...

There is a period when the contracted sales force needs to learn and understand our business...

But while most multiple retailers' sales deals are negotiated at head office level...

There are even greater need to maintain personal contact with travel agents as booking and information processes become more automated...

The field marketing industry - with more than 20,000 part-time personnel...

Guinness, the drinks group, used a contracted field force to collect cheques during last year's postal strike...

ness... so it can assess in advance the way we think about things...

Though the amount of business with the grocery trade has been declining...

Manufacturers, it says, will increasingly require in-store information to match that being obtained by the retailers...

The report identifies other retail sectors in which it believes the skills that have been acquired by the field marketers will increasingly find a demand...

There are many types of organisation today that sell indirectly to consumers...

Reaching US viewers, diplomatically

The British consulate in Los Angeles is offering British companies an opportunity to market themselves in American TV audiences...

half-hour programme deals with a different subject. British companies can sponsor whole or part programmes...

The series takes a broadly based look at Britain, drawing on illustrations from sponsors...

the British contribution to "burden sharing" with the US on defence.

It has also awarded the contract for the next 13 part series to Roymark...

The 1988 series was seen on the Fox and New York, Chicago and Washington DC by a total audience of 6m...

The programme will be American in format, fast paced, introduced by a well known British star...

These days to take part in the next series include British Airways, British Telecom...

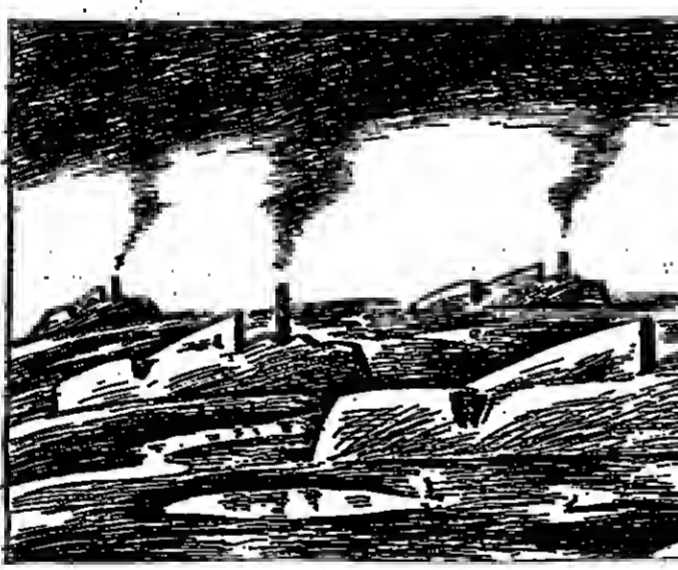
Nick Radlo

TECHNOLOGY

Continuing a series on industry's role in preserving the environment, Clive Cookson assesses the cleaner ways of generating power

The electricity supply industry has long been the favourite target of environmental campaigners...

In the past decade, fear of radioactive waste from nuclear power stations has been replaced by worries about acid rain...



The burning questions about fossil fuels

World-wide expenditure on flue gas desulphurisation (FGD) equipment is likely to exceed \$5bn a year by 1991...

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National Power and PowerGen, to any particular approach. Environmentalists believe the reliance on limestone-gypsum...

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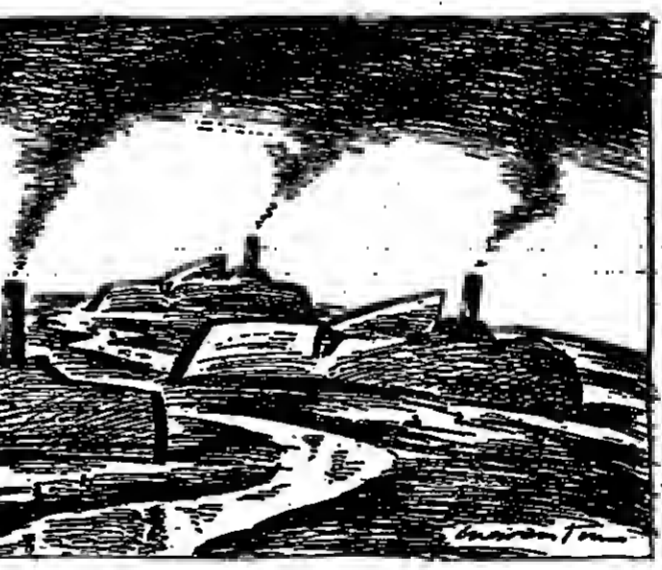
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Toilet with a brain breaks down British reserve

Decaux company's London subsidiary, Street Equipment, is set to report its first profit in the year ending March 31...

APCs are portable, vandal-proof concrete boxes the size of two telephone kiosks...

Each one is fitted with a transmitter and computer, made by the German company Schleicher...

All APCs in the UK feed information to the master station at Shepherd's Bush...

But has the public found them as convenient as local authorities? Parisians welcomed them as a sanitised alternative to their pissiors...

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Rachel Johnson

COMMODITIES AND AGRICULTURE

Malaysia worried at pace of tin price upsurge

By Wong Sutong in Kuala Lumpur

THE KUALA Lumpur tin price yesterday staged the biggest rise in five years to reach the highest level since the October 1985 market collapse. At 23.71 ringgits a kilogram (24,980 a tonne) the price was 72 Malaysian cents up on the day. Dr Lim Kong Yai, the Malaysian Primary Industries Minister, expressed concern over the sharp increase. "The price is going up too fast, and the market is not stable. There could be speculative interest responsible in the rise," he said.

A PROPOSAL for an out-of-court settlement of legal actions faced by International Tin Council members is to be presented to governments belonging to the council, delegates said after two days of meetings in London, reports Reuters.

A working group consisting of a small number of delegates put a proposal to an informal committee of council members set up to explore the possibility of a settlement. The proposal was amended by the committee and will now be conveyed to national capitals.

Banks and brokers have substantial claims against the council and its members resulting from the collapse of its buffer stock operations in October 1985. Since the start of the year, tin prices have risen by about 4 ringgits a kilogram or 20 per cent, and the price upsurge has caught traders and miners by surprise.

Chinese puzzle over agricultural reform

Colina MacDougall on farming problems in a country with 40m underfed people

FOR THE first time ever, Peking officials are discussing major agricultural ventures in China with the Soviet Union. Xiang Chongyang, Vice-Minister of Agriculture, said Moscow was insisting on investment in China rather than sticking to the usual formula of barter trading vessels.



Prices paid to farmers have not kept up with the cost of living

Projects might include a coffee plantation in the southern inland province of Hainan, soybeans in the north-east, plus chicken rearing, fish processing and the repair of Soviet fishing vessels. The proposals aim to utilise China's low-cost labour and resources along with Soviet funds and technology.

This is a sign of Peking's rapidly thawing relationship with Moscow in the run-up to the Sino-Soviet Summit in May, but it also points up China's urgent need for investment in its farming sector. Over the past year the country has had severe problems with falling grain and cotton production, as well as wild fluctuations in the supply of meat because of the rising cost of feedstuffs.

10m tonnes were imported and another 10m drawn from stocks. Compared with 1987 grain output was down by 2.2 per cent, cotton, at 4.2m tonnes, by more than 1 per cent; oilseeds, at 13.2m tonnes, by nearly 14 per cent; and rapeseed, at 5m tonnes, by a staggering 24 per cent.

biggest grain importer this year because of shortages, Li Guofeng, general manager of the import division of the China National Cereals, Oil and Foodstuffs Import and Export Corporation said last month.

The grain target for 1989 is 410m tonnes, which would exceed the 1984 peak of 407m tonnes, but there is no real expectation of hitting that. Although acreage sown to grain is up and rain falling in January broke a prolonged drought, severe problems remain.

China is likely to replace the Soviet Union as the world's

China's rural reforms were handed. Initially, when the leadership disbanded the communes and allowed peasants more freedom to choose which crops to grow, output soared. But when, at the end of 1984, the earlier obligation to grow a percentage of grain was altered to a contract system, many farmers decided to switch into more profitable crops.

At the same time, the dissolution of the communes meant there was no-one left to plan or invest public works like irrigation and drainage. Nor did anyone add up the totals of grain fed to the much larger number of farm animals for meat or used to make spirits, which in China's more consumer-oriented society are now considerable.

On top of that, cultivated land has been swallowed up at an alarming rate by building and erosion, and the Agriculture Ministry says that almost 20 per cent of grain harvested is lost in threshing and transport.

Prices paid to the farmer have not kept up with the cost of living or the cost of inputs like fertiliser, plastic sheeting (used for crop protection), diesel and pesticides. Last year the Central Government made a particularly foolish error when, instead of paying farmers in cash, it gave them IOUs.

Peking was anxious to hold down cash in circulation at a point when inflation was leaping upwards, but the farmers were enraged and disappointed. Peking is desperately trying

to rectify the situation by upping investment by yuan 400m (262m), plus establishing a new Foundation for Agricultural Development which will receive a 1 per cent levy from state construction and other investment. These sums will go in the first place to raising the price paid by the state to farmers by 18 per cent.

Cotton, which has never recovered its 1984 peak of 6.3m tonnes, will also benefit from higher prices. Currently it remains an unpopular crop since, unlike grain, there is no free market in it. But Chen Junshan, member of China's ruling State Council, predicted last week that acreage would fall again this year and noted that raising cotton prices was highly complex. Clearly expecting supply problems, he volunteered that enterprises making textile goods for export would be allowed to import raw cotton.

However, farm raw materials are likely to be in short supply. Only 92.5m tonnes of fertiliser will be available, the Economic Daily says, just 88 per cent of the total requirement, while in 22 major grain-growing provinces an shortfall of 13.4 m tonnes is likely.

Inadequate domestic production and a lack of foreign exchange for imports are to blame. Supplies of pesticides, diesel, high-quality seed and plastic sheeting will also be short, by between a quarter and a half of current supplies. All in all, China has good reason to be anxious about its farming sector.

Crisis talks on Peruvian mines

By Veronica Baruffal in Lima

THE PERUVIAN Government is considering the possibility of declaring a state of emergency in the mining industry in an attempt to revive production in the troubled state mining sector.

Three ministers, including Mr Carlos Raffo, making his debut as the Minister of Industry, met at the Finance Ministry earlier this week to discuss how to reactivate the state mining industry. "At present, 60 per cent of our installed capacity is practically paralysed and 30 per cent of medium-sized private mining companies are in the same situation," said Mr Roger Arevalo, president of the Banco Minero.

Declaration of a state of emergency could result in the mining industry qualifying for funds and special facilities to import equipment. With an investment of \$600m, high world prices could ensure Peru's state mining sector

COPPER prices surged to record levels in morning trading on the LME yesterday before retreating in the afternoon as profit-taking emerged following erratic movements on Comex, writes our commodities staff.

Cash metal hit \$2,008 a tonne in the morning but closed at \$1,977.50. Three-

month copper closed \$3 ahead at a record \$1,872.50. Many analysts remain bullish, partly on fears of another Peruvian miners' strike while supplies are tight.

Zinc prices were also affected, with the three months position reaching a record level in after-hours trading.

strikes costing the country over \$400m in lost export earnings. Many mines have not recovered completely from the three months of strikes. The miners' federation has called for a three-day strike from March 27 to protest at the Government's failure to abide by the agreement signed at the end of the last strike in December.

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Miners' leaders have not ruled out the possibility of calling for another general strike if their demands are not met at the end of March.

Jute pact members seek fresh trade strategies

By David Buchanan in Brussels

THE EUROPEAN Commission has promised to try to prevent Caribbean and African banana producers being forced out of the liberalised EC market after 1992 by the more competitive central American plantations.

Mr Manuel Marin, the EC development commissioner, also told Caribbean producers - Mrs Eugenia Chanley of Dominica and Mr John Compton of St Lucia - in Brussels this week that the Commission attached importance to the banana protocol in its 'Lomé Convention' with 66 African, Caribbean and Pacific countries.

Under this, the Lomé treaty which is being renegotiated this year, must not leave ACP banana growers any worse off than the present convention. The Commission, however, appears to have no idea of how it can help its traditional suppliers while remaining loyal to the trade barrier-breaking ideology of 1992.

by synthetics is of great concern to us and to 100m people around the world who are related to jute cultivation, trade and industry," he declared.

The meeting is expected to appoint a successor to Mr Harbans Singh of India, the executive director, whose term of office expires in January.

The organisation is comprised of five producing countries - Bangladesh, China, India, Nepal and Thailand - and 26 importing nations plus the European Community.

Mr Singh said the organisation, based here in the Bangladeshi capital, depended on voluntary financial contributions and was facing an acute shortage of funds, delaying implementation of quality control and market promotion.

EC gives 1992 promise on banana market

By David Buchanan in Brussels

THE EUROPEAN Commission has promised to try to prevent Caribbean and African banana producers being forced out of the liberalised EC market after 1992 by the more competitive central American plantations.

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High sowings put UK on course for record harvest

By Bridget Bloom, Agriculture Correspondent

WINTER WHEAT plantings in Britain were up by more than 20 per cent by last December, holding out the prospect of record autumn crops in this year's harvest.

According to the latest agricultural census, 1,668m acres of wheat had been planted by December 1 last year, compared with 1,542m ha in 1987 and 1,940m ha by December 1 1984, following which Britain achieved a record 26.5m-tonne cereal harvest.

Although a great deal could happen to the crop between now and harvest, the mild weather so far this year could well encourage higher spring planting of wheat and especially barley.

Whereas over 90 per cent of the country's wheat is planted in the autumn, about half the barley crop is sown in autumn. Autumn sown barley was 6 per cent up on the level at December 1 last year.

cereals land out of production across the European Community. Take-up for the scheme has been slow, with just under 60,000 ha being registered for set-aside in Britain.

Since high levels of autumn planting of cereals are also reported from France and Germany large EC cereal crops seem a strong possibility. The so-called budget stabiliser for cereals, involving a three per cent cut in the intervention price, would be triggered if the EC crop went above 165m tonnes.

The British Ministry of Agriculture is expected to publish a report next week which will show that the level of pesticide residues in a number of UK foodstuffs is rising.

According to the Grain and Feed Trade Association, the report highlights the position of those cereal products where residues appear to be more highly concentrated - especially bran and wholemeal flour.

Price stalemate at EC farm council

THE EC Farm Council meeting ended in Brussels yesterday with no agreement on the Commission's proposals for agricultural prices and other

aspects of the farm support system for 1989-90, writes David Blackwell. The three-day meeting featured extensive discussions on the Commis-

sion's call for a price freeze on most products. Britain emerged as the sole supporter. The next council meeting is scheduled for March 20 and 21.

WORLD COMMODITIES PRICES

LONDON MARKETS

Table with market data for NICKEL, COCOA, COFFEE, SUGAR, POTATOES, SOYABEAN MEAL, FRESH POTATOES, CRUDE OIL, and RUBBER. Includes columns for Close, Previous, High/Low, and other market indicators.

LONDON METAL EXCHANGE

Table with metal prices for Aluminum, Cash, Copper, Silver, Zinc, and Lead. Includes columns for Close, Previous, High/Low, and other market indicators.

POTATOES & SOYABEAN MEAL

Table with prices for Potatoes and Soyabean Meal. Includes columns for Close, Previous, High/Low, and other market indicators.

CRUDE OIL & RUBBER

Table with prices for Crude Oil and Rubber. Includes columns for Close, Previous, High/Low, and other market indicators.

NEW YORK

Table with market data for SOYABEAN MEAL, CRUDE OIL, and RUBBER. Includes columns for Close, Previous, High/Low, and other market indicators.

US MARKETS

Table with market data for COPPER, COCOA, and CRUDE OIL. Includes columns for Close, Previous, High/Low, and other market indicators.

CHICAGO

Table with market data for SOYABEAN MEAL, WHEAT, and CATTLE. Includes columns for Close, Previous, High/Low, and other market indicators.

LONDON STOCK EXCHANGE

Equities unable to hold early gains

AN EVENTFUL, if finally undramatic, trading session saw UK equities continuing to hold steady as the City of London awaited Tuesday's Budget Speech...

Early gains were soon trimmed, but a \$100m trading programme, reportedly involving switching from Alpha to Beta stocks by a major UK securities house...

until the hints of an impending buyout in the building sector steadied prices at the end of the day. The final reading on the FT-SE Index, at 2053.3, showed a loss of only 0.2 on the day.

Mr Bond's decision to sell his Lomrho stake was well-received at first, with the market hoping that the sale might herald a major bid contest.

However, second thoughts prompted suggestions that the Bond stake might not find buyers at the stipulated price of 385p, or a total \$700m.

FINANCIAL TIMES STOCK INDICES

Table with columns for Mar. 8, Mar. 9, Mar. 8, Mar. 9, Mar. 8, Mar. 9, Year Ago, 1988/89, and Since Completion. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, and S.E. ACTIVITY.

Lomrho may free its Bonds

March was always the favourite choice for the grand finale of the Lomrho/Bond Corporation saga, but even the most ardent followers of the situation were stunned by yesterday's episode which may, or may not, be one of the market's most colourful long-running speculations...

within the first hour of Seaq trading. Traders were wary of the early gains, however, commenting that the major market makers appeared to move their quotations up almost in unison despite slender buying interest...



recommendation issued by James Capel, the shares closed 11 up at 583p. Grand Metropolitan rose 2 to 545p on turnover of 3.7m shares after announcing the disposal of its US restaurant chain for \$431m...

by good results from GKN and B&G where interim profits were more than doubled to \$6.5m. The price advanced 5 to 443p. The price advanced 5 to 443p. The price advanced 5 to 443p.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks including BHP, BT, GKN, and others, with columns for Volume, Price, and Change.

Lomrho shares began moving higher from the opening amid speculation that Sir James Goldsmith could really celebrate his antinuclear bid for the UK trading conglomerate.

BICC also pleases BICC was easily the best performer in the electrical sector with the shares racing ahead to close 8 1/2 higher at 482p...

Other candidates, so the stories in the market suggested, were Costain, which raced up to 864p before closing a net 10 firmer at 849p and Tarmac, 3 better at 300p.

Following their recent poor performance, the market still believes that a West German bid could be in the offing.

Hotels group Mount Charlot added 4 1/2 at 180 1/2 after announcing annual profits of \$2.5m and a one-for-one scribble.

that profits this year will reach \$56m (against \$56m last year), and believes there is good growth throughout British Land's property portfolio.

Sanity returned when analysts began to search behind the official wording of the announcement for an explanation for the sale. One said: "This is a bizarre statement."

Traders continue to highlight the probable benefits from the Channel Tunnel, especially the newly proposed underground route out of London. Analysts were said to have been impressed with the post-results meeting, and Citicorp's Scott Vickers are extremely bullish on BICC...

Steel attracted small profit-taking, closing 3 off at 366p on 2.3m. Ultramar's figures were described as "unimpressive" by one dealer and the shares were left a couple of pence off at 363p.

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Mr Robert Sassoon of County NatWest WoodMac values Lomrho's net assets at 25 pence. He and several other researchers have issued "trading buy" recommendations at around the 350p level but they pointed out yesterday that the failure of Bond to sell the stake could change this assessment.

Agency stocks were undoubtedly the highest area of the market as events in Rome boosted BHPIT (BMP) came to head, BDDP, a private European communications company, wishes to discuss a merger and is contemplating an offer of around 300p for each BMP share.

Amstrad were well bid up as trading drew to a close. The shares moved up to 155p at one point, before easing to close a net 3 1/2 firmer at 152 1/2p on turnover of 3.1m.

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Superb figures

GKN bowed the market over with a full-year profits jump of 21 per cent to almost \$170m. The shares rose 15 in rapid trading but faded in the afternoon to close 12 1/2 higher on the day at 382p.

NEW HIGHS AND LOWS FOR 1988/89

Table listing new highs and lows for various companies like BHP, BT, GKN, etc., with columns for Name, High, and Low.

APPOINTMENTS

non-executive director of the QUADRANT GROUP. He is a non-executive director of BTR.

Chairman designate of BBA

Mr Vanni Treves, deputy chairman of BBA GROUP, is to become non-executive chairman on May 4. Mr Treves is senior partner of City solicitors Macfarlane and a non-executive director of Sestini & Sestini.

1677 statute protects DTI from liability for Tin Council debts

By A.H. Hermann, Legal Correspondent

Another weighty judgment (of 108 pages) has been delivered in the International Tin Council (ITC) litigation. It advanced the case of the creditor banks and brokers, but not so much as to bring repayment to the ITC because of its interstitial liability within sight. It has been delivered, after much learned argument, by Mr Justice Evans in the High Court on February 21.

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Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abstract Management Ltd, and others, with columns for name, manager, and price.

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GUIDE TO UNIT TRUST PRICING. A section explaining the pricing of unit trusts, including details on how prices are calculated and how to interpret the data.

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Handwritten note: "check list" in a box.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2128

Main table containing unit trust information, organized into columns for various trust categories and providers. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-225-2128

Main table containing unit trust information with columns for company name, unit price, and other financial details. Includes sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', 'GUERNSEY (SIB RECOGNISED)', 'JERSEY (SIB RECOGNISED)', and 'BERMUDA AUTHORISED'.

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

ISLE OF MAN (*)

Unit Name	Price	Yield
...

OTHER OFFSHORE FUNDS

Unit Name	Price	Yield
...

LUXEMBOURG (*)

Unit Name	Price	Yield
...

OFFSHORE INSURANCES

Unit Name	Price	Yield
...

BRITISH FUNDS

Unit Name	Price	Yield
...

BRITISH FUNDS - Contd

Unit Name	Price	Yield
...

AMERICANS

Unit Name	Price	Yield
...

INT. BANK AND OSEAS

Unit Name	Price	Yield
...

CORPORATION LOANS

Unit Name	Price	Yield
...

COMMONWEALTH & AFRICAN LOANS

Unit Name	Price	Yield
...

FOREIGN BONDS & RAILS

Unit Name	Price	Yield
...

Money Market

Instrument	Rate
...	...

Trust Funds

Unit Name	Price	Yield
...

Money Market Bank Accounts

Bank	Rate
...	...

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LONDON SHARE SERVICE

CANADIANS

Table of Canadian share prices including companies like Alcan, Inco, and Noranda.

BUILDING, TIMBER, ROADS - Contd

Table of share prices in the building, timber, and roads sectors.

ELECTRICALS

Table of share prices in the electricals sector.

ENGINEERING - Contd

Table of share prices in the engineering sector.

INDUSTRIALS (Miscel.) - Contd

Table of share prices in various industrial sectors.

INDUSTRIALS (Miscel.) - Contd

Table of share prices in various industrial sectors.

BANKS, HP & LEASING

Table of share prices for banks, hire purchase, and leasing companies.

CHEMICALS, PLASTICS

Table of share prices in the chemicals and plastics sectors.

FOOD, GROCERIES, ETC

Table of share prices in the food and grocery sectors.

Hire Purchase, Leasing, etc.

Table of share prices for hire purchase and leasing companies.

DRAPERY AND STORES

Table of share prices in the drapery and stores sectors.

HOTELS AND CATERERS

Table of share prices in the hotels and caterers sectors.

BEERS, WINES & SPIRITS

Table of share prices for beer, wine, and spirit companies.

BUILDING, TIMBER, ROADS

Table of share prices in the building, timber, and roads sectors.

INDUSTRIALS (Miscel.)

Table of share prices in various industrial sectors.

ENGINEERING

Table of share prices in the engineering sector.

INSURANCES

Table of share prices for insurance companies.

LEISURE

Table of share prices for leisure companies.

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LONDON SHARE SERVICE

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Handwritten note: 'فوز الحاصل'

LEISURE - Contd. Table listing various leisure companies like TV, radio, and entertainment firms with their share prices and changes.

PROPERTY. Table listing real estate and property-related companies.

TEXTILES - Contd. Table listing textile manufacturing companies.

TOBACCOS. Table listing tobacco companies.

TRUSTS, FINANCE, LAND. Table listing financial and trust companies.

TRUSTS, FINANCE, LAND - Contd. Continuation of the previous table.

OIL AND GAS - Contd. Table listing oil and gas companies.

OVERSEAS TRADERS. Table listing international trading companies.

PLANTATIONS. Table listing plantation companies.

MINES - Contd. Table listing mining companies.

MISCELLANEOUS. Table listing various other companies.

MOTORS, AIRCRAFT TRADES. Table listing automotive and aerospace companies.

Commercial Vehicles. Table listing commercial vehicle companies.

Comments. Table with notes on market movements.

Garages and Distributors. Table listing automotive service and distribution companies.

NEWSPAPERS, PUBLISHERS. Table listing media and publishing companies.

PROPERTY. Continuation of the property section.

PROPERTY. Continuation of the property section.

SHIPPING. Table listing shipping and logistics companies.

SHOES AND LEATHER. Table listing footwear and leather goods companies.

SOUTH AFRICANS. Table listing companies from South Africa.

TEXTILES. Continuation of the textile section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TESTS. Table listing testing and analysis companies.

MINES. Table listing mining companies.

Central Rand. Table listing companies in the Central Rand region.

Eastern Rand. Table listing companies in the Eastern Rand region.

Far West Rand. Table listing companies in the Far West Rand region.

Diamond and Platinum. Table listing diamond and platinum mining companies.

O.P.S. Table listing O.P.S. related companies.

Central African. Table listing companies in Central Africa.

Finance. Table listing financial companies.

Oil and Gas. Table listing oil and gas companies.

Oil and Gas. Continuation of the oil and gas section.

Oil and Gas. Continuation of the oil and gas section.

Oil and Gas. Continuation of the oil and gas section.

Australians. Table listing Australian companies.

Australians. Continuation of the Australian companies section.

THIRD MARKET. Table listing companies listed on other exchanges.

NOTES. Section containing market notes and commentary.

REGIONAL & IRISH STOCKS. Table listing regional and Irish stocks.

TRADITIONAL OPTIONS. Table listing traditional options.

Property. Table listing property-related companies.

Mines. Table listing mining companies.

PAPER, PRINTING, ADVERTISING. Table listing media and advertising companies.

SHIPPING. Continuation of the shipping section.

SHOES AND LEATHER. Continuation of the shoes and leather section.

SOUTH AFRICANS. Continuation of the South African companies section.

TEXTILES. Continuation of the textile section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

TRUSTS, FINANCE, LAND. Continuation of the financial section.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm but quiet

HIGH YIELDING currencies were in demand in subdued foreign exchange trading yesterday. The US dollar and Australian dollar were firm, with sterling generally holding on to its recent gains.

The US dollar was generally quiet, lacking fresh factors, but eventually rose to a level where the US Federal Reserve stepped in to sell the currency. There was no major economic news, apart from the result of the West German Bundestank's securities repurchase agreement tender.

The market also shrugged off a Japanese news agency report, attributing comments to an unnamed US official that a slow decline by the dollar will help reduce the US budget deficit.

DMI.8575, compared with DMI.8525 on Tuesday, after a featureless day, but then rose above DMI.8600 in New York on a report that Mr Michael Boskin, a White House economist, said that President Bush's Administration is prepared to discuss a tax increase.

In terms of the yen, the dollar closed unchanged in London at Y128.70, but the US currency rose to SF1.5885 from SF1.5850 and to FF6.3075 from FF6.2850.

Pressure on the Canadian dollar followed press reports in Canada that the International Monetary Fund has warned of higher interest rates, and a fall in the value of the local currency unless Canada reduces its budget deficit by C\$6bn to \$20bn.

unchanged at 85.8. The Australian dollar touched 81.50 US cents in volatile, but mainly technically motivated trading.

The Canadian dollar proved to be the weak member, among the group of high yielding currencies, prompting intervention by the Bank of England in London, on behalf of the Bank of Canada, selling US dollars at around C\$1.2010.

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FINANCIAL FUTURES

Short sterling below its best

Short sterling futures showed a slight improvement on the day in Liffe trading, but finished well down from the day's highs. Prices were marked up initially on the pound's steady fall through 80.60 cents, however, there was very little follow-through demand, and after touching a high of 87.25 in the June contract, the price fell away to 87.18 at the close, compared

with 87.13 at the opening and 87.15 on Tuesday. The absence of any fresh buying encouraged investors to take profits. The June price is regarded as being a little expensive, as it still all but discounts a quarter point reduction in base rates.

West German Government bond futures also fell away after a stronger start. The softer tone came despite moves by the Bundesbank to dispel fears of a credit tightening and higher interest rates.

Table with columns: Price, Bid, Ask, etc. for Liffe Long Gilt Futures Options.

Table with columns: Price, Bid, Ask, etc. for Liffe US Treasury Bond Futures Options.

Table with columns: Price, Bid, Ask, etc. for Liffe US Dollar Futures Options.

Table with columns: Price, Bid, Ask, etc. for Liffe FT-SE Index Futures Options.

Table with columns: Price, Bid, Ask, etc. for Liffe Short Sterling.

Table with columns: Price, Bid, Ask, etc. for Liffe US Treasury Bills.

Table with columns: Price, Bid, Ask, etc. for Liffe US Treasury Bills.

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€ IN NEW YORK

Table showing exchange rates for Euro in New York.

STERLING INDEX

Table showing Sterling Index values.

CURRENCY RATES

Table showing various currency rates.

CURRENCY MOVEMENTS

Table showing currency movements.

OTHER CURRENCIES

Table showing other currency rates.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot - Forward Against the Pound.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot - Forward Against the Dollar.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates.

LONDON (LIFFE)

Table showing London (Liffe) market data.

CHICAGO

Table showing Chicago market data.

STRENGTH INDEX

Table showing Strength Index.

BASE LENDING RATES

Table showing Base Lending Rates.

MONEY MARKETS

Steadier tone

THE WEST German Bundestank yesterday reinforced its recent action to keep interest rates steady in Frankfurt by adding sufficient liquidity at the latest sale and repurchase tender to offset two maturing agreements.

Recent speculation has centred on a higher interest rate structure in West Germany, as a means of supporting this D-Mark and also to bear down on the rate of domestic inflation.

Commercial banks retain ample reserves with the Bundestank. Holdings so far this month have averaged

DM66.5bn which will be useful in meeting payment of corporate tax demands later in the month.

In London, interest rates were barely changed, as traders took a back seat ahead of the UK Budget next Tuesday.

The Bank of England forecast a shortage of around \$100m. Factors affecting the market included bills maturing in official hands and a take up of Treasury bills, together with repayment of late assistance draining \$500m.

The Bank accepted bids totaling DM15.5bn, replacing two maturing facilities which totalled DM16.3bn. The net drain of DM500m was regarded as insignificant. The switch to a fixed rate tender - the first since January 11 - suggests that a period of stability is uppermost in the authorities' mind.

The Bank gave no assistance in the morning but on a revised shortage of \$50m bought \$50m of eligible bank bills in band 1 at 12 1/2 per cent.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing.

MONEY RATES

Table showing Money Rates.

LONDON MONEY RATES

Table showing London Money Rates.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing.

MONEY RATES

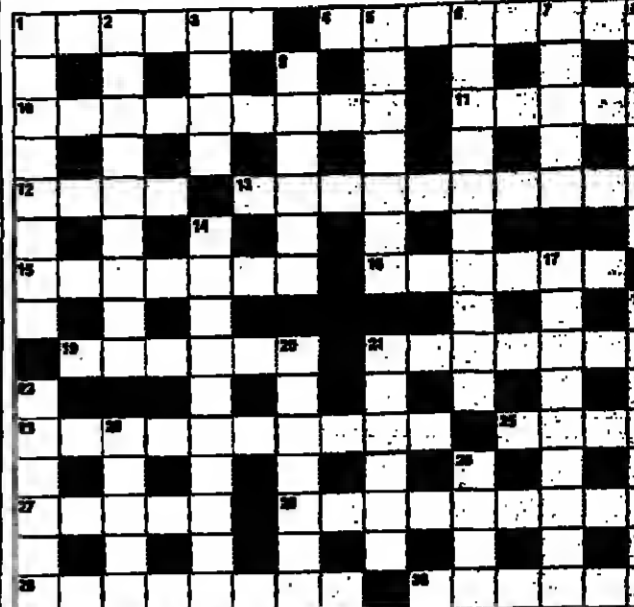
Table showing Money Rates.

LONDON MONEY RATES

Table showing London Money Rates.

CROSSWORD

No.6,880 Set by DINMUTZ



ACROSS 1 Subtle way to acquire new tenant (6) 2 Can't contain cry of pain, lying down on arms (6) 3 Album for the autumn? (5-4) 4 Rare trees clipped (5) 5 Canteen jam? (4) 6 Cans-crads? (3,7) 7 Old ball set out to be the most effective? (7) 8 Synopsis of laws to endure without protest (5) 9 Number of eggs in 27? (6) 10 Mountain wine or the chain it comes from (7) 11 Grindstone turning faster and faster (10) 12 Position for little Mark, say (4) 13 Understand the compass? (5) 14 Revolving attack (5) 15 Paperback article for the bar interval (6) 16 What Don might wear for the dance (5)

DOWN 1 Almonds breaking out in this feature of Britain (4-4) 2 Volume's high? Stand in station (5) 3 What is the point of fencing? (4) 4 Get rid of rotten consignments (3-4) 5 One proven stock from running out, by the way (6-4) 6 True male dominion (5) 7 A French firm is unfamiliar in Scotland (4) Solution to Puzzle No.6,879

ANSWERS TO PUZZLE NO. 6,879

JOTTER PAD

Advertisement for International Residential Property, featuring advertising opportunities and contact information.

Advertisement for Inside Information, offering financial and investment trading reports.

Large advertisement for Financial Times Factmaster, highlighting its unique time management system and subscription details.

Handwritten signature or mark at the bottom of the page.

بازارهای جهانی

WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, France, Germany, Italy, Sweden, and Japan. Columns include stock names, prices, and changes.

Table of stock market data for various countries including Australia, Canada, Denmark, Finland, Greece, Hong Kong, India, Israel, Korea, Malaysia, New Zealand, Norway, Singapore, South Africa, Switzerland, Taiwan, Thailand, and the UK.

Table of stock market data for Canada, listing various Canadian stocks and their performance.

TOKYO - Most Active Stocks Wednesday 8 March 1989. Table listing top-performing Japanese stocks.

INDICES. Table showing various stock indices and their values.

NEW YORK DOW JONES. Table showing the Dow Jones Industrial Average and other market indicators.

CANADA. Table showing Canadian market indices and stock performance.

Advertisement for Financial Times magazine, featuring the headline 'Your FT hand delivered in Germany' and details about a 12-issue free trial.

2pm prices March 8

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns with headers like '16 Month High', 'Low', 'Stock', 'Div. Yld.', 'P/E', '52 Week High', 'Low', 'Close Prev.', 'Open', 'Change'. Includes a 'Rothmans' advertisement at the bottom left.

Continued on Page 41

Financial

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for High, Low, Stock Name, and Price. Includes a section for 'Continued from previous page' and a detailed list of stock prices.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices March 8

Table of Over-the-Counter prices with columns for Stock Name, Price, and Change. Includes a section for 'Continued from previous page' and a detailed list of stock prices.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices with columns for High, Low, Stock Name, and Price. Includes a section for 'Continued from previous page' and a detailed list of stock prices.

Small text block providing information about the data, likely a disclaimer or note regarding the accuracy of the prices.

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AMERICA

Dollar's strength inspires Dow rally after dull start

Wall Street

An early afternoon surge in stock prices on Wall Street saw the Dow Jones Industrial Average up by more than 20 points in moderate trading after a dull start to the day, writes Peter Singer in New York.

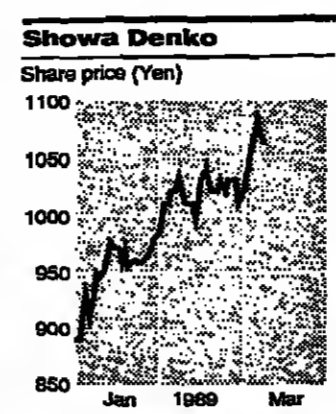
Haller, Federal Reserve Board Governor, saying that a reduction in Japanese and West German trade surpluses was necessary to adjust global trade imbalances caused the dollar to firm. Dealers also said the Fed had sold dollars for D-Marks.

Among the other large US stocks in Time Inc fell 4% to \$116.4. There was news that shareholders had filed a class action to block Time's proposed merger with Warner.

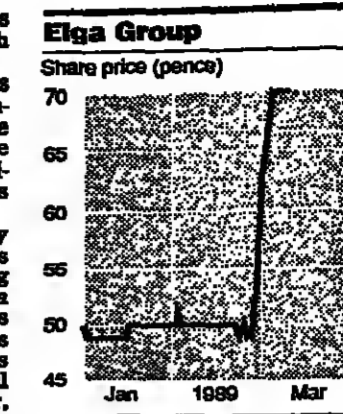
Green theme takes root in Japan and UK

FT writers find environmental protection is feeding through into share price gains

THE GREEN theme has been attracting keen interest this year in stock markets such as London and Tokyo where it is still something of a novelty.



nimble managements," says Mr Ian Moore, an analyst with Robert Fleming Securities. Some of the biggest groups are also absent from the pollution theme in Japan, where brokers and investors have seized on the story as a welcome alternative to worries about interest rate rises.



biggest recycler of plastics, has nearly doubled in price to \$21.50 since it went public in 1987. But stock performance in the sector has not been out of the ordinary this year.

EUROPE

Bourses look for direction from across the Atlantic

BUYERS held back in Europe yesterday as the focus switched to the latest US jobs figures, due tomorrow, in the absence of local developments, writes Our Markets Staff.

PARIS chose to look across the Atlantic for direction, given a general lack of domestic news, and lost ground amid cautiousness before tomorrow's release of US employment figures.

AMSTERDAM had a quiet day after Tuesday's enthusiastic rise, which one analyst described as a bit of an over-reaction. The CBS tendency index shed 0.7 to 167 in trading volume worth about F1 500m.

ASIA PACIFIC

Caution over high prices drags Nikkei down

TRADING began on a spirited note as buying picked up, but caution won out and share prices closed lower, writes Michelle Wolman in Tokyo.

attracting attention for its anti-pollution technology and is expected to improve profits and sales when it enters the gas turbine market through a tie-up with a US company.

attracted attention to Mitsui Construction, which has developed such a facility already. Mitsui Construction gained 790 to Y1,390 in heavy trading.

sent the All Ordinaries Index below the 1,500 level to close 15.9 lower at 1,491.7.

cents to HK\$3.225 after trading resumed in the wake of its share placement on Tuesday.

FT-ACTUARIES WORLD INDICES

Table with columns for National and Regional Markets, Tuesday March 7 1989, Monday March 6 1989, and Dollar Index. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, and various regional indices like Europe, Nordic, Euro-Pacific, etc.

SAARBERG COAL INTERNATIONAL advertisement. Text includes: 'has participated in a recapitalization and initial public offering of common stock in its affiliate Ashland Coal Inc.', 'Morgan Guaranty assisted in the negotiations and acted as financial advisor to Saarberg Coal International GmbH', and 'JPMorgan' logo.